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25 May 1984

SOUTHEAST ASIA REPORT

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FOREIGN MINISTER: SRV ATTACKS 'NOT UNREASONABLE'

Melbourne THE AGE in English 19 Apr 84 p 7

[Article by Michael Richardson]

[Text]

SINGAPORE, 18 April. — Australia's Foreign Minister, Mr Hayden, said yesterday it was not unreasonable for Vietnamese forces in Kampuchea to retaliate against attack by guerillas of the ousted Khmer Rouge regime and non-communist resistance groups.

He also adopted a cautious position on reports, based on official Thai claims, that Vietnamese forces in Kampuchea had intruded into Thailand several times in recent days.

Mr Hayden said if there was any intrusion, Australia would criticise it. He was seeking confirmation of the report and would be briefed on the fighting in Kampuchea after he returned to Australia later this week.

Mr Hayden's comments — made at a Press conference in Tokyo — may trigger renewed allegations by Australia's non-communist neighbors in South-East Asia and the US that the Labor Government is trying to appease Vietnam.

They came as Thai air force jets bombed a hill on what an army spokesman in Bangkok said was the Thai side of the border with Kampuchea. He said Vietnamese troops were believed to be hiding there.

Australia's Defence Minister, Mr Scholes, who is on an official visit to Thailand, was briefed yesterday by Thailand's supreme military commander, General

Arthit, and the national security council chief, Squadron Leader Prasong, on Vietnam's military operation against Kampuchean guerillas along the Thai-Kampuchean border.

Mr Scholes is due to visit the frontier zone tomorrow for another briefing by local Thai commanders before visiting at least one centre for Kampuchean refugees.

The US yesterday condemned the latest Vietnamese border attack as a threat to Thailand's security and pledged to stand by its commitment to Bangkok.

The US, Australia, New Zealand, Britain, Thailand and the Philippines are all members of the 1954 Manila Mutual Defence Pact.

The State Department's spokesman, Mr John Hughes, said in Washington that Vietnamese troops attacked and overran three refugee camps near the Thai border with Kampuchea on Sunday and shelled a fourth camp.

More than 75,000 refugees have been forced to flee, most going into Thailand.

Questioned in Tokyo, Mr Hayden recalled that he had condemned the continuing occupation of Kampuchea by Vietnamese forces at a dinner for the visiting Vietnamese Foreign Minister, Mr Thach, in Canberra last month.

Mr Hayden had added that "if elements of the coalition forces, particularly the Khmer Rouge, were to undertake attacks against

the Vietnamese one would expect, not unreasonably, that there would be retaliation and Thach certainly made that clear.

"It is indisputable that there has been substantial attacks against Vietnamese forces by the Khmer Rouge . . . (in Kampuchea) and while I would wish that there was no conflict in the area (bringing about) the absence of conflict will require some sort of settlement involving all sides . . .

"In terms of the details of the attacks, I am arranging for a briefing on those matters when I return to Australia."

Mr Hayden said when he left for Tokyo some days ago, "we did not regard the conflict (in Kampuchea) as evidence of a dry season offensive but rather responses to assaults which were at that stage at a much lower level than a dry season offensive".

Meanwhile, non-communist guerillas in Kampuchea, whose main base was reported to have been captured by the Vietnamese, said yesterday they were still in control of the most important part of the stronghold.

A senior Thai official said on Sunday that the Ampil camp on the Kampuchean side of the border had been overrun by Vietnamese forces. But a spokesman for the Khmer People's National Liberation Front (KPNLF) claimed that its guerillas were still in control of the base.

CSO: 4200/745

HAWKE REJECTS HAYDEN'S TOKYO ANZUS CRITICISM

Canberra THE AUSTRALIAN in English 19 Apr 84 pp 1, 2

[Text] THE Prime Minister, Mr Hawke, yesterday rejected the critical view of the ANZUS treaty voiced in Tokyo on Tuesday by the Minister for Foreign Affairs, Mr Hayden.

Speaking on talk-back radio in Adelaide, Mr Hawke said Australia would maintain its commitment to the ANZUS alliance and continue to allow American military installations in Australia.

He said Mr Hayden's admission that at least one of the bases was a high-priority target revealed nothing new since that had been conceded before.

Australia would be at greater risk if it eschewed the relationship with the US.

"We are an aligned nation and have been since the last war," Mr Hawke said. "Labor and non-Labor governments alike, without exception, have maintained that relationship," he said.

"Obviously, it is true that if you are in an alliance relationship and provide facilities for the major party in the alliance, the United States, then that carries risks.

"Of course, it does and it would be dishonest to say otherwise, but in this world there is nothing that doesn't carry risks and the judgment has been made by successive governments. Labor and non-Labor alike, that the benefits outweigh the disadvantages.

"The most simplistic approach to the issue is to assume if Australia and the rest of the other non-Soviet bloc were to disarm, to eschew relationships, that would bring world peace.

"There is no evidence to sustain that at all and we would be running greater risks.

"We're not going to indulge in the stupidity of assuming that unilateral neutrality is going to add to world peace. It's likely to add to instability.

"If I could see in the Soviet Union marches of millions of people demonstrating for disarmament then this whole thing would have more impact. We've got to work sensibly for disarmament, not unilaterally but across the board."

He said the US bases would stay and the commitment to the ANZUS alliance would be honored.

He was not surprised by the size of peace marches on Sunday and shared the concern of nuclear disarmament activists. But it was not logical to identify uranium mining with nuclear armament.

Australia was obliged under the Nuclear Non-proliferation Treaty to make uranium available for non-weaponry peaceful purposes.

In Launceston, the Leader of the Opposition, Mr Peacock, rebuked Mr Hayden for questioning the relative benefits to be gained from the ANZUS treaty.

The Opposition's up-dated policy on foreign affairs will be launched after Easter, but Mr Peacock made it clear there would be a firm commitment to ANZUS and to the presence of US bases in Australia.

"It is part of Mr Hayden's twisted logic that he implied the US was the net beneficiary of the ANZUS relationship," he said.

"Nothing could be further from the truth.

"Mr Hayden's questioning of that alliance flies in the face of the ALP's election undertakings and all Mr Hayden has said on his visit to the US.

CSO: 4200/745

AGE: ANTINUCLEAR MARCHES 'EXERCISES IN IRRELEVANCE'

Melbourne THE AGE in English 16 Apr 84 p 13

[Editorial: "Massive but Misguided"]

[Text]

PERHAPS it is a mark of maturity in these troubled times that tens of thousands of people can march through the streets of Melbourne on a pleasant Sunday afternoon in peaceful protest. As a popular demonstration of common concern about the dangers of nuclear war and the risks of this country even remotely being involved in the nuclear fuel cycle, it was impressive enough for the organisers and participants to have returned to their homes with a warm inner glow of virtuous satisfaction. Whether the anti-nuclear rallies in Melbourne and other Australian capital cities will influence the policies of the Hawke Government, let alone those rather closer to the nuclear triggers, remains to be seen, but appears doubtful. Numbers and emotions sometimes count for more than logic in the democratic process, but the Federal Government must also be aware of a silent majority that is less obsessed with apocalyptic fantasies and more conscious of the complexities of the nuclear challenge.

In global terms, street marches in Australia to demand nuclear disarmament are little more than self-indulgent exercises in irrelevance. Australia does not possess nuclear arms and has no present plans to develop them. Australian public opinion, or even official representations, cannot be expected to influence those nations which do. Besides, it is by no

means certain that the world would be a safer place without nuclear arms: while nuclear proliferation would undoubtedly increase the risks, the present balance of nuclear deterrence has held for nearly 40 years. What is relatively certain is that unilateral disarmament would do more to invite aggression than to deter it. A reduction of nuclear — and conventional — arms is a matter to be pursued by serious negotiations; it will not be precipitated by wishful demonstrations in the streets.

To give their efforts a semblance of meaningful direction, the anti-nuclear campaigners have focused on two peripheral issues in which Australia is involved. One is the mining and export of uranium. This has some significance in the internal politics of the Australian Labor Party but very little in the broader world context. Australia's refusal to supply uranium for peaceful purposes might bring expensive satisfaction to those who have no need for it, but would not make the world a safer or cleaner place. It would simply leave the market to producers less scrupulous in their salesmanship and diminish what little influence Australia might have on the problem of international controls.

The other target of the Australian anti-nuclear campaign is the existence of United States strategic and communications bases in Australia. Again, the arguments are naive and one-sided. The risks of the obligations of the US alliance are exaggerated; the benefits to Australian and international security are ignored. The irony is that the goal of neutrality advocated by many nuclear disarmers would make the option of Australia's developing its own nuclear deterrent more compelling. The control of uranium

CSO: 4200/745

AUSTRALIA

DETAILS OF OFFSHORE RESOURCE RENT TAX UNVEILED

Canberra THE AUSTRALIAN in English 19 Apr 84 pp 1, 2

[Article by David Erskine]

[Text] THE Federal Government yesterday announced the long-awaited details of its proposed resource rent tax for offshore oil fields, but it will be some time before the new tax, replacing existing royalties, produces any revenue.

Because of technical difficulties the RRT, due to take effect on July 1, will not apply to the Bass Strait oil fields, the North West Shelf gas fields or any other offshore areas with current production.

All "new" oil fields currently producing--both onshore and off--will instead of an RRT be subject to an additional excise tax if they produce more than 3,146 million barrels of oil a year (about 8620 barrels a day).

The Government is expected to raise an additional \$310 million in the fiscal year 1984/85 as a result of the excise on "new" oil on top of the estimated \$3400 million from "old" oil.

Most of the additional money, about \$292 million, will come from the Forescue field in the Bass Strait and the rest from the onshore Jackson field in southwest Queensland.

Until now, "new" oil--finds made before September, 1975--had been subject to company taxes only and an additional royalty totalling about 55 per cent.

The existing tax system will remain intact for the "old" Bass Strait fields which are subject to excises of up to 87 per cent.

Since the RRT will affect areas without current production, it seems likely that the Jabiru oil discovery in the Timor Sea will be the first to pay tax if it is developed as planned for first oil production at the end of 1985.

Basically, the RRT is designed to apply to profits from future oil fields rather than on production rates as the present tax system does, and will apply before company tax.

The Federal Minister for Resources and Energy, Senator Walsh, has offered two sets of tax rates to the industry for comment; a higher two-tiered tax has a 33 per cent subsidy for exploration costs to maintain incentives to look for more oil or an alternative one-tier system with no exploration subsidy.

Without the exploration subsidy, the tax rate will be 45 per cent, applying after companies have recovered their total investment and field profits reach a threshold level of about 25 per cent.

With the subsidy the proposed tax is 40 per cent after profits reach a 20 per cent threshold level and then 60 per cent after a 40 per cent threshold.

The threshold is linked to the long term bond rate which is currently 15 per cent.

After further consultation with the industry, the Government will announce the final details of the tax.

Senator Walsh said he expected the new tax to result in "efficient oil exploration and development in Australia and a more equitable sharing of the benefits of oil discoveries between oil companies and the community".

The additional levy for "new" oil will step up progressively from 10 per cent for all field production over 3.146 million barrels to 35 per cent when annual production exceeds 5,034 million barrels (13,800 barrels a day).

That means if the Fortescue field produces at an annual rate of 25 million barrels it will be subject to an additional excise on average 29.46 per cent.

Other fields which could incur the excise at a later date include South Pepper and Harriet off the coast of Barrow Island, and Tintaburra in south-west Queensland.

Reactions to the tax on "new" oil varied. Esso and BHP said they considered it fair and "have accepted a compromise between the Government's need for revenue and the companies' need for defined terms that allow consideration of further Bass Strait exploration and development".

But the Australian Petroleum Exploration Association believes the proposed levy "will make significant inroads" into companies' revenues both onshore and offshore.

Esso/BHP are now examining the possible development of the Bream field--a move which would require the reopening of the Barry Beach construction terminal facility "with a consequent provision of job opportunities in the area."

It is believed the companies have spoken to the Government to consider putting the Bream field in the "new" tax bracket, even though it was discovered before 1975.

CSO: 4200/746

JAPANESE TO INVEST IN NORTHWEST SHELF GAS PROJECT

Sydney THE SYDNEY MORNING HERALD in English 19 Apr 84 p 1

[Article by Hamish McDonald]

[Text]

TOKYO, Wednesday: Mitsubishi and Mitsui have "basically decided" to invest in Australia's \$11,000 million North-West Shelf gas project, a spokesman for Mitsui said today.

The Mitsui spokesman would not say when a formal decision would be announced, but other sources in the two companies said studies were at an advanced stage.

A go-ahead will mean that the two trading houses will take a one-sixth share in Australia's biggest resource project and commit about \$1,200 million to the \$8,000 million export phase.

It would be the biggest single investment by Japan in Australia, and by far the biggest investment Japan has made in a foreign resource project.

Agreement on a realignment of the project's ownership will remove a major obstacle to negotiations on a sales contract with Japanese power and gas utilities.

Eight utilities signed in 1981 a letter of intent to buy six million tonnes of liquefied natural gas a year from the offshore project, but have since hung back as energy demand slumped in Japan.

The burden of financing the existing \$3,000 domestic phase of the project and the lengthy wait has strained the resources

of Woodside Petroleum, the major Australian partner with 50 per cent of the project.

Last November it offered Mitsui and Mitsubishi, already sales agents for the LNG, a one-sixth share of overall equity and also transfer a one-twelfth share to each of BHP and Shell.

Under the proposal the six partnership entities — Woodside, BHP, Shell, British Petroleum, Calasiasi of the US, and Mitsui-Mitsubishi — would each hold 16.66 per cent equity.

However, Australian equity would fall from 47.66 per cent to 29.8 per cent, providing a glaring exception to the Federal Government's 50 per cent foreign equity limit in resource projects.

But with Japan being offered more LNG from South-East Asia, the Mid-East, North America and Siberia, the market gives Australia little ground to make a firm stand on this. (In Canberra last night the Government said normal foreign investment criteria would apply.) Executives of Mitsui and Mitsubishi were today cautious in elaborating on their attitude to participation.

They said the companies still needed more time to complete their analysis before making a final decision and were not working towards an announcement at the end of June, as one Tokyo report said today.

CSO: 4200/745

AUSTRALIA

PEACOCK PROMISES TO SELL PUBLIC ENTERPRISES, REDUCE GOVERNMENT

Perth THE WEST AUSTRALIAN in English 13 Apr 84 p 3

[Article by Trevor Gilmour]

[Text] CANBERRA: The federal coalition promised yesterday to sell off several public enterprises and authorities if returned to power.

This was part of a commitment to smaller government and lower income taxes.

The coalition pledged to sell Medibank Private, the Australian Industry Development Corporation and the Housing Loans Insurance Corporation.

Ownership of other public authorities--including the Commonwealth Bank, Telecom, TAA, the Overseas Telecommunications Commission, Aussat and ANL--would be examined by a Liberal-National Party government.

The parties reaffirmed their commitment to introduce wider indirect taxes to reduce Australia's reliance on high income-tax levels.

But the Deputy Leader of the Opposition, Mr Howard, warned that tax cuts should not be made in the coming Federal Budget at the cost of an unacceptably high Budget deficit.

The Leader of the Opposition Mr Peacock, described the coalition's economic policy as aiming to raise opportunities for the Australian economy to generate growth, wealth and jobs.

It also sought to increase the pace of deregulation and to get politicians and bureaucrats "off the people's backs."

He said that economic growth now depended on Australia's ability to compete in an outward-looking and increasingly competitive international scene.

He promised to start removing barriers to growth set up by previous governments--including the Fraser government--and said:

"From now on, there is no way economic growth can be assured without an inward-looking domestic cocoon."

Details of the Opposition's economic proposals were revealed yesterday with the release of its economic policy--the first of a series of policy launches.

Wages

The employment and industrial relations spokesman, Mr Macphee, is expected to spell out the coalition's wages policy on Monday.

The Treasurer, Mr Keating, described yesterday's Opposition statement as devoid of policies and containing the usual rantings about reducing bureaucracy, government and selling off public enterprises.

After seven years of record inflation, unemployment and negative economic growth, the Opposition parties were again dogmatically throwing round their views.

Mr Peacock said that the coalition would be prepared to take the hard decisions which he accused the Government of avoiding in the name of consensus.

Labor had achieved a trifecta by putting the "con" into consensus, reconciliation and the economy, he said.

The Opposition's economic policy paper commits a Coalition government to a reduction in the burden of direct personal income tax as a result of moves to broaden the tax base.

Changes in the system would contain protection for lower-income groups.

Highest

Though Australia's total tax burden was lower than the average for OECD countries, its reliance on direct personal taxation was one of the highest, the paper said.

Other commitments included:

--Introduction of a new flexible wages policy sensitive to economic conditions.

--Support for a major opening of the Australian banking system to foreign companies.

--Backing for the deregulation of interest rates.

--Abolition of the Prices Surveillance Authority and the repeal of proposed changes to the Trade Practices Act.

The secretary of the Australian Postal and Telecommunications' Union, Mr Rob Arndt, warned yesterday that the plans to sell off public enterprises would bring a "huge backlash" from the union movement.

The APTU would fight tooth and nail to stop Telecom being sold to private enterprise. Mr Bruce Linthrope, for the Commonwealth Bank Officers' Association, said the association would strongly oppose any moves to sell the Commonwealth Bank.

AUSTRALIA

'DISENCHANTMENT' SEEN WITH HAWKE ECONOMICS IN ALP LEFT, UNIONS

Sydney THE SYDNEY MORNING HERALD in English 14 Apr 84 p 3

[News analysis by Keith Martin, industrial editor: "Hawke Economics: The Major Threat to ACTU-ALP Accord"]

[Text] Economic planning has emerged as the main source of disenchantment with the Hawke Government's performance among the Left of both the Labor Party and the unions.

This dissatisfaction will be strongly voiced at the party's national conference in July.

It now emerges that the economy, and how it should be run, has eclipsed all other issues, including dissatisfaction with the Government's perceived lack of control over prices and non-wage incomes, as the factor most likely to upset the ACTU-ALP prices and incomes accord.

This was signalled by an unexpectedly strong attack by Australia's largest union, the Amalgamated Metal, Foundry and Shipwrights Union, on the Treasurer, Mr Keating, and a draft economic policy he has prepared for the national ALP conference.

The national council of the union, which is the most influential of the left-wing unions--it played a large part in drawing up the accord--met early this week on what was to be a routine discussion of administrative matters.

But up came a draft copy of Mr Keating's economic policy recommendations to the ALP--a document not publicly released.

The AMFSU had so far voiced no public criticism of the Hawke Government. But on Wednesday, after studying the 15-page draft policy, it came out with a strong resolution expressing concern at some aspects of the draft "which seek to alter the thrust of Labor's approach to the economy, which formed the basis of essential aspects of the accord".

The resolution declared that the draft distorts essential features of the accord, softens Labor's commitment to reduce reliance on indirect taxation, and

deletes a large section of the existing platform which commits Labor to long-term economic planning.

It accused Mr Keating of playing down the agreed role of government intervention in market forces, opening the way for foreign entry into banking and other strategic sectors, and softening party opposition to foreign ownership and control.

The national council declared that the union movement had reason to be concerned about the changes and would raise them with Mr Keating, parliamentarians and delegates to the national conference.

Two of the specific criticisms are directed to indirect taxation policy and the role of the Economic Planning Advisory Council.

While the ACTU-ALP accord says the Government will try to reduce the relative incidence of indirect taxation, the draft says this will be done "where budgetary circumstances permit".

The AMFSU says the role of EPAC in long-term planning will be severely curbed.

The accord states that EPAC (drawn from State Governments, industry, unions and community groups) will advise the Government on planning, procedures, prospective economic developments and appropriate planning.

The draft lays stress on EPAC as a "source of information" and a "forum for discussion", but makes no mention of its role in planning procedures.

AMFSU officials say this will reduce its role from one of direct participation to that of a debating society.

The last dissatisfaction with the draft policy comes on top of growing union resentment at Mr Keating's proposal to facilitate the entry of foreign banks.

CSO: 4200/743

AUSTRALIA

EMPLOYMENT INDUSTRIAL RELATIONS MINISTER WARNS BLF

Sydney THE SYDNEY MORNING HERALD in English 14 Apr 84 p 3

[Article by John Schauble]

[Text] MELBOURNE: The Federal Government "would not stand idly by" if the Builders Labourers' Federation continued its present "outrageous" behaviour, the Minister for Employment and Industrial Relations, Mr Willis, said yesterday.

Mr Willis also hinted that the Government was examining the question of deregistration proceedings against the union.

"The Government does share the concern, clearly, that the behaviour by the BLF has been quite outrageous in various respects, including the use of violence," Mr Willis said.

He made the comments after releasing a progress report on initiatives implemented under the prices and incomes accord.

Mr Willis would make no direct comment on the possibility of Federal Government deregistration proceedings against the BLF. But his statements were a clear indication of mounting concern in Cabinet about the future of the union and the threat posed by BLF disruption to economic recovery in the building industry.

They also follow remarks by the head of the NSW Labor Council, Mr John MacBean, that there was no place in the trade-union movement for a union which conducted itself in the manner of the BLF.

"I have seen comments by various union officials, particularly in NSW, about the BLF and about their behaviour and their concern about that," Mr Willis said. He was also aware of suggestions that the BLF should be dissatisfied from the ACTU.

"That, of course, is a matter for the ACTU," he said.

Earlier this week, the Opposition spokesman on employment and industrial affairs, Mr Macphee, called on the Federal Government to become party to deregistration proceedings against the BLF.

Asked for a response to that suggestions, Mr Willis said: "There are various matters that we have considered, but I'm not going to go into those now."

The president of the ACTU, Mr Dolan, yesterday refused to comment on Mr Willis's statements. Mr Dolan said he had "no response at all" to suggestions of Government intervention. Nor was he prepared to discuss the possibility of BLF expulsion from the ACTU.

The national secretary of the BLF, Mr Norm Gallagher, was not available for comment yesterday afternoon.

The Herald revealed yesterday that construction industry unions were preparing reports on the conduct of the BLF with a view to moving for its expulsion from the ACTU next month.

Mr MacBean has indicated that he will be pressing the ACTU executive to take "decisive action".

If the BLF is expelled, it will lose ACTU protection in deregistration proceedings brought by employers, which resume before the Federal Court on May 1.

Mr Willis said the prices and incomes accord had given Australia the fastest rate of economic recovery in the world.

However the executive director of the Confederation of Australian Industry, Mr Bryan Noakes, said the accord's introduction of full wage indexation had been a major impediment to the recovery.

Mr Noakes said full wage indexation was one of several matters in the accord with which employers disagreed.

Mr Willis later admitted the accord had not brought unemployment down to an acceptable level and said the recovery would have to continue for several years before this occurred.

He said the Government was doing its utmost to provide tax relief for low and middle-income earners, which the ACTU has set as its immediate priority for the development of the accord.

CSO: 4200/743

ECONOMIC PLANNING ADVISORY COUNCIL EFFECTIVENESS HIT

Canberra THE AUSTRALIAN in English 11 Apr 84 p 6

[Editorial: "The Bad News on EPAC"]

[Text] TODAY is the first anniversary of the National Economic Summit. As a result of its deliberations, the Economic Planning Advisory Council was established shortly after to put flesh and bones on what is arguably the ghost of economic consensus.

Since the summit the Government has overseen an economic recovery, and undertaken some major reforms of the financial system, without seeking consensus first. Tax reform has been promised, the dollar has been floated, unnecessary controls on the banks removed, and the first steps taken to establish an offshore international financing centre here.

In all these instances, the Economic Planning Advisory Council showed itself to be no more than a disinterested bystander.

EPAC has had no discernible influence on the Government's decision-making, and there is no evidence that it is even telling the Government what business is thinking. In fact, business has been shut out of the traditional pre-Budget consultations while EPAC has washed its hands of it, claiming its concerns are more longer-term.

If it has relied solely on the advice of EPAC, the Government would have come to the comforting, but hopelessly wrong, conclusion that business is confident about our prospects.

Fortunately, one of the benefits of

the floating dollar is to give the Government an early warning signal about the state of the economy. The dollar's fall of about five cents against the US dollar in the last three weeks shows red lights are flashing.

Yet so far there are no signs that the Government is even aware of the signal, let alone prepared to respond to it.

Despite the apparent disinterest of EPAC, the fact is that international investors now have serious reservations about our economic prospects.

While it is true that unfavorable interest rates here have made our dollar less attractive, it is more than coincidence that the dollar's slide began as it became apparent the Government was aiming for a Budget deficit of more than \$7000 million in 1984-85, and accelerated after the Arbitration Commission handed down another pay rise to give a wage increase of more than 8 per cent in only six months.

On both questions of the size of the Budget deficit and the size of responsible pay rises, EPAC has been silent.

It is economic suicide to run a Budget deficit of the order of \$7000 million after a general pay rise of more than 8 per cent. If EPAC were performing properly, it would be publicly and forcefully putting this to the Government.

While our deficit problem might, at first sight, seem to pale into insignificance against the Reagan administration's, the fact is that we are in much more serious straits because we have experienced a government-sanctioned large pay rise at a very tentative stage of economic recovery.

Whether the next wage rise round will be as low as the Government is hoping because of the fiddle with Medicare is beside the point. The harm has already been done. Business profitability needs to rise early in a recovery if it is to be able to invest.

Little wonder, then, that foreign investors are losing confidence in Australia, and have marked the dollar down accordingly. If EPAC cannot bring itself to be the bearer of bad news, then at least foreign investors are prepared to do so.

CSO: 4200/743

AUSTRALIA

TECHNOLOGY STRATEGY SEEN AS 'CONTROVERSIAL,' 'POLITICALLY SENSITIVE'

Hawke on National Effort

Canberra THE AUSTRALIAN in English 14-15 Apr 84 p 1

[Text] THE Prime Minister, Mr Hawke, warned yesterday that unless Australian industry acted to maintain its international competitiveness and develop new products, processes and markets, the economy would stagnate and living standards would fall.

Opening the Commonwealth Serum Laboratory's \$9 million Human Vaccine Building in Melbourne, he said the slow rate of technology transfer had to be accelerated.

He stressed the need for a rational effort and the important role of technological development in the process of changing and revitalising industry. He said the national technology strategy was an important part, and added: "It is simply not good enough to constantly react to the effects of technological innovation as it proceeds."

Science Minister Presents Draft

Canberra THE AUSTRALIAN in English 14-15 Apr 84 p 1

[Article by Jane Ford]

[Text] A DRAFT national technology strategy for Australia presented yesterday contains many controversial and politically sensitive proposals to revitalise economic and industrial development.

The document, presented by the Minister for Science and Technology, Mr Jones, is seen as the first step in developing a strategy for the nation.

It advocates:

Doubling the ratio of students entering tertiary education to 20 per cent of all school leavers by 1995.

Half of the school population--compared to 38 per cent now--staying on to Year 12. At least 1 per cent of the workforce retrained each year, with union attitudes to adult apprenticeships reviewed.

Examination of junior wage rates which inhibit training.

A company tax on new industries to provide more money for social services.

Redistributing the wealth by more special taxes, welfare provisions, early retirement, shorter hours and sabbaticals.

Special support for selected high-technology industries.

Funds from government research organisations ear-marked for contracting to industry, and development of a venture capital market.

Portable superannuation schemes to encourage mobility among scientists and engineers.

The strategy sets four broad goals--revitalisation of the economy through new technology, equitable sharing of the costs and benefits of technology throughout the community, effective co-operation between all organisations, and the strengthening of science and technology infrastructure to cope with technological development.

From there, it is broken into three areas--Australia's technological capability, social aspects of technological change and technology, and inter-governmental relationships.

Five priorities covering education, employment, industry restructuring, research, and industry/science sector interaction are put forward.

Top rating is given to the need to substantially increase the number of students completing secondary education and entering university--seen as essential to upgrade the skill base to the level of countries such as Japan.

It sets targets of 40 per cent of students staying on to Year 12 by 1985, rising to 45 per cent by 1990 with the numbers completing Year 11 rising from 57 per cent to 70 per cent by 1995.

It proposes that 11 per cent of school leavers should enter university by 1995 (6 per cent now) with a further 9 per cent entering colleges of advanced education, coupled with a program to build an educational infrastructure to cope. New ways of training and education using foreign investment, purchasing and offsets programs should be looked at.

Existing training schemes must be expanded so at least 1 per cent of the workforce can be retrained each year. Union attitudes to adult apprenticeships must be reviewed and the possibility of junior wage rates inhibiting training examined.

The strategy emphasises the need to make existing industry internationally competitive through new technology.

It calls for the steady reduction of tariffs, getting technology from overseas on favorable terms, including technology development components in government programs such as the steel industry plan, and new initiatives on government purchasing, offsets and foreign investments.

On employment, the strategy says the information technology sector will be the fastest-growing area, with manufacturing industry employment unlikely to increase.

Benefits arising from new technology in new enterprises must be distributed equitably, and it suggests a new company tax on new industries which could be used to increase health care, pensions and other services.

Other special taxes, social welfare provisions and measures such as early retirement, shorter working hours, study sabbaticals and retraining rights should be introduced.

In the short term, selective support should be introduced for labor-intensive technologies and employment growth stimulated in the service industries.

The strategy also presses the Government to choose key technologies for special support--which will be contested by the Treasury and the Industries Assistance Commission which has pointed to many previous government failures.

Bio-technology, information technology and new materials technology are identified for selective short-term assistance on the basis they will be the most important source of economic growth and jobs.

Private sector industrial research and development--at an all-time low--should be increased from its present level of only 0.6 per cent of GDP to 1 per cent by 1995.

This should be done by tax incentives for industrial research and development and management awareness programs.

Funds from government research organisations should be gradually commandeered so that by 1988, 5 per cent are earmarked for contracting out to industry, rising to 10 per cent by 1990. This is something large research organisations, such as the CSIRO, are likely to oppose.

The strategy stresses the right of the public to make democratic choices about the technologies that should be adopted, their ownership and rates of introduction.

Community participation in decision making must be encouraged, research into the social aspects of change promoted, a public information program to demystify technology instigated and a special parliamentary committee of science and technology established.

Other proposals include:

Reducing legislation and regulation on industry, and competition between States with more co-operation on technological development.

Greater interaction between industry and universities and the tailoring of university research efforts to meet the needs of industry.

Development of a venture capital market and relaxation of the provisions of the government's new venture capital tax incentive scheme.

Greater employer union consultation on the introduction of new technology.

Minimum standards in federal awards regarding unfair dismissal, consultation on new technology and redundancy arrangements.

Although the draft sets numerous goals and recommends a plethora of short- and long-term action plans, it identifies few specific practical ways of achieving the objectives and does not forward many innovative ideas for revitalising industry or coping with technological change.

It has only the qualified support of the Prime Minister, Mr Hawke, who wrote the foreword to the strategy but is known to have been reluctant to give his full backing.

It is believed to be seen by some in the Prime Minister's Department as too woolly and lacking teeth, and developed without consultation with the departments affected.

Editorial Supports Plan

Canberra THE AUSTRALIAN in English 14-15 Apr 84 p 14

[Editorial: "Looking to the Future--1: Timely Jolt on Our High-Tech Future"]

[Text] SOME people are romantics without practical sense, some are nuts-and-bolts people with no vision. Dr Barry Jones, showing a mixture of both, has jolted Australia with a technology strategy for the future that is visionary, contentious and dealing in many of the practicalities.

In short, he has done us a great service in pointing out that it is time we started thinking very seriously about new technologies that are bearing down upon us with the speed of an express train and with enormous implications for the way we work and play and make our living as a nation.

It may well be true that we have not

got the broad technical base to have high-technology industries. We are also way behind the United States, Japan and the United Kingdom in computers.

But although we may be well behind in computer hardware, no one nation should have a monopoly on the brains for software. And that is where the Minister for Science and Technology is right on the ball.

Top rating is given to the need to increase substantially the number of students completing secondary education and entering university - seen as essential to upgrade Australia's skill base to the level of countries such as Japan.

The report advocates a doubling of the ratio of students entering tertiary education to 20 per cent of all school leavers by 1995 with 50 per cent of the total school population (compared with around 38 per cent now) staying on to Year 12.

Whether these aims are realistic or not, we have just got to increase the skills of our young people. Clever people will find clever ways of working. Clever people will go on to find ways of succeeding that will employ less-clever people.

We are in the age of new technology. It is here and now. And the Minister is quite right in trying to startle us into thinking about it. And in talking of trying to startle us, his recommendation that union attitudes to adult apprenticeships be reviewed and that the possibility of junior wages inhibiting training be examined, will stir up quite a few Labor Party and union supporters. But we need stirring up.

Industry will not look with favor on the Minister saying that benefits arising from new technology in new enterprises must be distributed equitably throughout the community. Dr Jones suggests the introduction of a new company tax on new industries which could be used to increase health care, pensions and other services for everybody.

There is no point in creating bright

new industries only to kill them off with a dose of socialism that will make them immediately uncompetitive.

But then industry has not much room to criticise the Minister. As he points out, private sector industrial research and development — at present at an all-time low — should be almost doubled from its present level of only 0.6 per cent of the GDP to 1 per cent by 1995.

He suggests this should be achieved through tax incentives for industrial research and development. This should be able to be realised without incentives.

A useful proposal is made that portable superannuation schemes should be encouraged to increase mobility among scientists, technologists and engineers. Tied superannuation does prevent people from moving out of dying, labor-intensive industries into fresh and greener fields.

The Minister is right in saying that the information-technology sector will be the fastest-growing area with manufacturing industry employment unlikely to increase.

He has given us all a much-needed prod and we should all react. The world is indeed spinning faster and we need to be fast on our feet to keep up with it.

This is a report, with all its shortcomings, that should lead to action.

CSO: 4200/743

AUSTRALIA

PRICES, INCOMES ACCORD CREDITED WITH 'FASTEAST RECOVERY IN WORLD'

Brisbane THE COURIER MAIL in English 14 Apr 84 p 14

[Text] MELBOURNE.--The prices and incomes accord between the Federal Government and the Australian Council of Trade Unions had given Australia the fastest rate of economic recovery in the world, the Federal Employment and Industrial Relations Minister, Mr Willis, said yesterday.

Releasing the second progress report on the accord at a news conference, Mr Willis said even the accord's most rabid critics had to concede it had been effective in restoring Australia's economic growth.

The comment, however, drew a quick rebuff from the Confederation of Australian Industry executive director, Mr Bryan Noakes, who said the accord's introduction of full wage indexation had been a major impediment to recovery.

Mr Noakes said full wage indexation was one of several matters in the accord's implementation which employers disagreed with.

But Mr Noakes said while employers are not part of the accord, they were being granted full consultation.

Mr Willis later admitted the accord had not brought unemployment down to an acceptable level and said the recovery would have to be under way for several years before this occurred.

He said the Government was doing its utmost to provide tax relief for low and middle income earners, which the ACTU has set as its immediate priority for the development of the accord.

The ACTU vice-president, Mr Simon Crean, said that the trade union body was satisfied with progress so far, but it had thought it prudent to give the Government its priorities on how it believed the accord could be developed over the next year.

Mr Cream said the concern expressed this week by the Amalgamated Metals, Foundry and Shipwrights Union that the Government was backing away from the accord was not supported by the progress report released yesterday which outlined the Government's performance.

The AMFSU federal council this week criticised the draft economic policies which have been circulated by the Federal Treasurer, Mr Keating, saying they softened the Government's commitment in the accord to reduce reliance on indirect taxation.

The AMFSU also condemned the policies for allowing the entry of foreign banks into Australia and backing away from Labor's commitment to industrial democracy.

But Mr Crean said yesterday the draft policies still had to debated at the ALP federal conference in July and the ACTU would consider its position on the changes then.

CSO: 4200/743

AUSTRALIA

WESTERN AUSTRALIA EDUCATION INQUIRY: 'PREPARE FOR 21ST CENTURY'

Canberra THE AUSTRALIAN in English 14-15 Apr 84 p 1

[Article by Peter Terry]

[Text] AN INQUIRY into Western Australia's education system has produced a blueprint for training children to be the workers of the 21st century.

It urges the revision of the school curriculum with priority on literacy and numeracy, and the introduction of computers into every facet of school life.

The report is the work of a 26-member committee of leading educationists, headed by the former federal minister for education, Mr Kim Beazley Senior.

The 459-page report found many weaknesses in the present system and an urgent need for Federal and State financial intervention to combat the poverty crippling the future of thousands of children.

Many of the controversial recommendations range from ending the "excessive influence" of universities on schools, to the sacking of incompetent staff.

It wants the abolition of all forms of corporal punishment and the elimination of all sexist educational material from schools.

But the whole thrust of the report is to restore what the committee sees as "necessary balances" in the education system.

What schools should be doing, it says, is developing individuals for a more efficient and enlightened community.

"This may involve understanding the need for a vision of the future in a world which must find answers to inflation, hunger, unemployment and the disintegration of family life."

The committee defines one over-riding consideration for the education of today's child: "The Australian community needs efficiency, co-operation and high technical skill in an increasingly competitive world."

It calls for an end to the so-called "core" subjects and optional subjects, and their replacement by a unit system of study.

There would be seven major unit groupings covering: language and communication; social studies, mathematics; science and technology; physical and health education; vocational and personal awareness; and practical and creative arts.

One of the most revolutionary recommendations is the new freedom of study that would be given to students.

Students from Year 8 to Year 12 students, in consultation with their parents and teachers, would be free to decide at what level to pursue particular subjects.

Therefore if a student in Year 8 was able to cope with mathematics at the level of Year 12, then he or she would attend that class.

CSO: 4200/743

AUSTRALIA

BRIEFS

ANTARCTIC RESEARCH FUNDING LACKING--It has been claimed that a lack of government funding is preventing Australia from carrying out adequate research in Antarctica. The claim was made by the chairman of Australia's Antarctic Research Policy Advisory Committee, Professor David Caro. In an address in Canberra to the 54th Congress of the Australian and New Zealand Association for the Advancement of Sciences--(?ANZAAS)--Professor Caro said Australia was at a critical point in its Antarctic research program. But lack of funding meant that Australia's research effort was no longer commensurate with its obligation under the Antarctic Treaty. He said that after 40 years as a major Antarctic nation, Australia seemed to have drifted to a point where little was being achieved in its research program. One of the crucial problems was that Australia now had to use three chartered ships and had no air link with its Antarctic bases. Australia lays claim to about 40 percent of Antarctica.
[Text] [BK160732 Melbourne Overseas Service in English 0430 GMT 16 May 84]

CSO: 4200/749

OBSERVER ON U.S. TIES WITH PRC, SOVIET MOVES

BK111449 Jakarta THE JAKARTA POST in English 28 Apr 84 p 3

[Text] Jakarat (JP)--Indonesia can't enter into an alliance with the United States because the two countries have a different perception of "Soviet threats" to this region, a political observer has indicated.

"What the Americans describe as a growing Soviet threat to this part of the world is not necessarily seen as a threat by us," Dr J. Sujati Jiwandono, an executive of the Centre for Strategy and International Studies (CSIS) told the Bandung-based daily PIKIRAN RAKYAT in an interview.

"The Soviet power in the Pacific is not intended to go against us but to counter the U.S. military might in this region which the Soviets consider a threat to their security," Mr Sujati added.

Mr. Sujati gave the statement to the paper commenting on a recent call by U.S. President Ronald Reagan on China and other Asian countries to join the United States in blocking the "Soviet expansionist moves" in the Asia-Pacific region.

"If we favor Reagan's call and enter into an alliance with the United States the threats then become real because naturally the Soviet Union will consider us a U.S. ally," he said.

It is to be expected that the Soviet Union, as a Superpower, takes such moves as building up its military power in the Asia Pacific region and feels justified in doing so in order to monitor U.S. military movements in the region, he indicated, and dismissed any direct threat from the Soviet Union to this region.

He said the U.S. military in this region will be able to meet any Soviet threat and the interest of Indonesia and other countries in the strength of the U.S. military is not out of need for U.S. protection but to create a balance of power.

"A balance of power is necessary to guarantee that there is no dominating power which may be tempted to pressure countries in this region and interfere in their internal affairs," he said, pointing to the U.S. political involvement as a dominating power in Central and Latin America such as in Grenada, El

Salvador, and Nicaragua and similarly the Soviet Union in East Europe.

"Therefore, if we favor an alliance with and domination by one of the big powers we are liable to get into any trouble befalling those countries," he added.

Mr. Sujati said the six country Association of Southeast Asian Nations (ASEAN) is "very" important to the United States as an economic power in this region. He pointed out ASEAN, which groups Indonesia, Malaysia, Singapore, Thailand, the Philippines and Brunei Darassalam, has one of the highest economic growth rates in the world. The U.S.-ASEAN trade volume has even eclipsed that of the U.S. and Europe, he said.

He warned that the U.S. economic assistance for China's modernization program may adversely affect ASEAN in the future if the Chinese succeed in their plan. He said the U.S. keeps close relations with Indonesia because this country is needed for its raw materials and for a dumping place for U.S. manufactured products.

But, he indicated, if China lives up to U.S. expectations as a big market and offers a profitable place for investments and also provides raw materials needed by the U.S., "relations with the U.S. will no longer be as good as at present." He said China has a big potential to undercut oil producing ASEAN countries in prices.

He also warned that if China grows to become a powerful country economically it will be able to build up its military might.

"When that becomes a reality China will be in a better position to support subversive elements in Southeast Asia. We must not forget that China has previously supported subversive movements in Burma, Thailand, Indonesia and Malaysia," he warned.

Therefore, he suggested that Indonesia take steps to meet that possibility by speeding up its national development.

In Sujati's view China is potentially more dangerous than the Soviet Union "because traditionally China has had influence in this region."

Therefore, it is not surprising if China feels justified to claim Southeast Asia as its sphere of influence, he said.

But he added, it is not easy to attack and occupy a sovereign country. "An overwhelming superiority in manpower and a strong industrial basis will be needed."

Geographically Southeast Asia is not and will never be a vital link for Soviet security. But this region has become important to the Soviets because of the presence of other big powers here such as the United States, Japan and

China. Therefore, it is understandable that the Soviet Union makes its presence in this region felt through Vietnam, he said.

Commenting on Reagan's call on China and other Asian countries to fall in line with the U.S. economic policy in the Asia-Pacific region, Dr Sujati said some ASEAN countries suspected that the idea is part of U.S. attempts to set up an alliance against the Soviet Union "warning them against economic neo-colonialism and imperialism."

He hoped that rapprochement between Beijing and Washington would not be at the expense of ASEAN interests such as when the U.S. stood firm in support of China during the International Conference for Kampuchea (ICK), where ASEAN was forced to back down under U.S. pressures in order for the conference to reach an agreement on a number of resolutions.

CSO: 4200/752

INDONESIA

PROSPECTS FOR KAMPUCHEAN SETTLEMENT VIEWED

BK151433 Jakarta THE JAKARTA POST in English 8 May 84 p 4

[Editorial: "Clouds Over Kampuchea"]

[Text] Foreign ministers from the Association of Southeast Asian Nations are meeting here today under clouds of pessimism over the prospects of a political settlement in Kampuchea.

ASEAN has based its position on Kampuchea on its Joint Appeal to the United Nations of 20 September 1983, calling for a territory-by-territory withdrawal of Vietnamese forces. But behind this unified stand lurks differences of perception regarding Vietnam among the so-called hard-liners and soft-liners in ASEAN and among its allies.

Indonesia is considered to be the leading proponent of the soft-line approach to Vietnam. Indonesia sees Hanoi as a fellow newly-independent nation that has thrown off the yoke of colonialism, emerging as a regional power. Both nations share the view that the People's Republic of China poses the strongest threat to regional security. And Indonesia sees a necessity of weaning Vietnam away from an overdependence on the Soviet Union, and a potential partner in realizing the ideals of the regional Zone of Peace and Prosperity.

Thailand, the front-line state facing Vietnamese forces in Kampuchea, is seen as the leading hard-liner against Vietnam. Bangkok finds Vietnamese forces skirmishing with Khmer Rouge guerrillas on its borders and sees Hanoi as the biggest menace to regional security, and the PRC as a necessary counter-weight to Vietnam's "imperialist" ambitions in the region.

This apparent divergence of geopolitical viewpoints within ASEAN has not been lost on Hanoi. And as the March trip of Vietnamese Foreign Minister Nguyen Co Thach to Jakarta, Canberra and Bangkok seemed to demonstrate, Hanoi is not above exploiting this pluralism in ASEAN by saying different things in different places. This sort of Machiavelian diplomacy envisages encouraging any latest disisions between Indonesia and Thailand, China and ASEAN, and Australia and ASEAN, while shrugging off the "lessons" that China has been trying to teach Hanoi in hit and miss border skirmishes on its northern

border, while teaching a few lessons of its own to Khmer Rouge rebels in western Kampuchea.

Thus, it is no wonder that Foreign Minister Mokhtar Kusumaatmaja pronounced the end of new initiatives on Kampuchea last week. Mr. Mokhtar said he thought there was very little hope "for the time being" for any progress on a political settlement in Kampuchea, while Vietnamese troops are engaged in fighting along the Thai border.

Mr. Mokhtar's statement seemed to dispel any suspicion for the movement that ASEAN was forging a two-pronged approach to Vietnam between its hard-liners and soft-liners by this statement of solidarity with Thailand.

For the long term, Indonesia hopes to see Vietnam become a truly constructive partner for peace and prosperity in the region in a conducive geopolitical environment for its own national interests. But for the short-term, the unity of ASEAN must not be jeopardized and steps towards the achievement of that strategy have to be postponed until more favorable changes take place both in Hanoi and Bangkok.

Unless Vietnam and Thailand share Indonesia's strategic goal that a cooperative regional order in Southeast Asia is an urgent necessity before China becomes more self-assertive as a modern economic power, we cannot expect a realistic and pragmatic approach towards the overall political settlement of the Kampuchean problem.

CSO: 4200/752

INDONESIA

PRIEST DESCRIBES DETERIORATING CONDITIONS IN EAST TIMOR

Lisbon EXPRESSO in Portuguese 28 Apr 84 pp 1, 24

[Text] In a letter sent to the former bishop of Dili, Monsignor Martinho da Costa Lopes, the apostolic administrator of East Timor, Carlos Filipe Ximenes Belo, confirmed the recent intensification of fighting in the territory and the practice of maltreatment by the Indonesian forces that occupy the island.

In the letter dated 16 February, to which EXPRESSO had access, the prelate writes: "The situation has worsened since 8 August. People were arrested at all the posts (600 persons in Dili alone) and now they are being tried in military courts. Other persons have disappeared. We do not know if these courts are impartial and if there are defense attorneys. In the regencies of Lospalos, Viqueque, Baucau and Ainaro, the war is going on and the people are hemmed in. They suffer disease, hunger, lack of freedom and persecution. In Lospalos alone, there are 10 battalions and these men cannot manage to win the war. They thought they would wrap up the matter by the end of December 1983 but here we are in February and the result of the military operation is not apparent. (...) It is a miserable thing, monsignor! The Red Cross does not enter the prisons nor can I give communion to the political prisoners of the Komarka."

The prelate then referred to the existence of indiscriminate atrocities: "In Muapitini (Lospalos) and Iliomar there were peoples' verdicts, that is, those implicated in contacts with the jungle were murdered in front of the people by stabbing, sword slashing and beating." The writer indicated that part of those actions are practiced by militias recruited among the people themselves. However, he did not specify if there are pressures by the Indonesians in that regard.

The letter concludes with a reference to persecutions suffered by the church in East Timor. "It is a macabre situation we are living through (...). I ask you, monsignor, to continue to pray for us and make an appeal to the free world to open its eyes in the face of the barbarity that the Indonesians are capable of. The church is persecuted and accused and our schools are searched and the students interrogated. The residence of the Salesian fathers of Baucau was savagely ransacked by the 'Nangalas' (...)."

8711
CSO: 3442/350

INCENTIVES FOR FAMILY PLANNING PARTICIPANTS

Jakarta HARIAN UMUM AB in Indonesian 23 Mar 84 pp 1, 7

[Text] Dr Haryono Suyono, head of the central office of the BKKBN [National Family Planning Coordinating Board], said that President Suharto has agreed to give scholarships to the children of about 269 selected long-term participants in the family planning program.

In his briefing at the close of the national working meeting on family planning in Jakarta yesterday, he confirmed that the scholarships, which will be awarded through the Super Semar Foundation beginning in April, are a sign of the government's serious intention to increase prosperity through the family planning program.

According to the head of the BKKBN, to honor and to express appreciation to officials in the family planning program (PLKB) the president has agreed to promote about 300 of them to government jobs. The prize winners are officials who have been foot soldiers in the family planning campaign for more than 10 years.

In addition, he said, the president also agreed to honor about 1000 long-term managers and participants in the family planning program by inviting them to Jakarta next June.

On the advice of the president, more than 500,000 couples who are long-term participants in the family planning program in East Java will receive a gift of hybrid coconut seedlings at the beginning of April. He said that this will be the beginning of efforts to turn the family planning participants into subjects for development projects.

Goals of the Family Planning Program

Elsewhere, the head of the BKKBN said that three important elements in efforts to reach the goals of the family planning program were brought up at the national working meeting. The three important elements mentioned as indications that the NKKBS [Happy and Prosperous Small Family Norms] could be reached were: evaluation as input into the formulation of policies and strategies during PELITA [5-Year Plan] IV, a translation into action of the policies as was outlined in the GBHN [Main Directions of State Policy] and a translation of general family planning policies and strategies into a program.

The normative goals of the GBHN were formulated in a concrete way in 1983 as the multiple goals of the program, i.e. to raise the prosperity level of mothers and children and to create a happy and prosperous small family as the basis for the creation of a prosperous society through birth and population control.

Position

Dr Haryono confirmed that the more the family planning service progressed the higher the quality demanded of it. The longer the mass family planning service, which has already produced thousands of participants, is offered the more demands will be made on it to become a service for smaller groups and in the end to become a high-quality individual service. Each individual has his own criteria and ever-increasing aspirations.

According to his calculations, by the end of PELITA IV there will be 17.3 million active participants in family planning and the raw birth rate will have been reduced from 31 to 24 per thousand. He hopes that we will begin to create a secure framework for the institutionalization of NKKBS by the end of the upcoming PELITA IV. "Another important consideration is for us to support family planning participants so that they can play a role as subjects of development projects who will little by little build happy and prosperous families," he said.

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IRIAN JAYA: TENSIONS, TRIALS OF INTEGRATION

Perth THE WEST AUSTRALIAN in English 18 Apr 84 p 9

[Article by John Hamilton: "Irian Jaya and the Trials of Integration"]

[Text]

THE body of the Indonesian building contractor lay face down on the mortuary slab.

"Look," said the official, pointing at the grisly colour photograph, "look here, and here and here. First they shot him with arrows and then when he was dead they hacked at his body with knives.

"They are bandits. They should be punished as bandits. But instead they go back across the border into Papua New Guinea where they know they will be safe."

At his headquarters of the Indonesian Army's 17th Cenderawasih ("Bird of Paradise") division, Brig.-Gen. R. K. Senbiring gives a rare press briefing. Rare, because Indonesian generals do not normally talk to the Press.

What he has to say has obviously been cleared by Jakarta, 3200km away.

"I am not a politician, but as a military commander I wish the PNG Government would stop harbouring these guerillas, giving them

the freedom to mount an operation against us and then to return safely across the border," he says.

The general is aged 45, small and tough-looking with a row of badges on his chest which attest that he is a commando who has parachuted into a combat zone.

He commands three battalions of troops, about half locally recruited Irianese and a company of the "Kopassandha," the red beret commandos of the Indonesian army.

"I have no need to call for reinforcements to deal with the trouble," he says.

"But we are not carrying out any pursuit operations against OPM guerillas. There is nothing to pursue. They have no strength at all."

Western diplomats say that there are about 300 OPM guerillas operating in the border area.

They are armed with a variety of weapons ranging from bows and arrows and bush knives to AK47 sub-machine guns.

Their activities appear

to be uncoordinated and so far they are not believed to be receiving any outside help.

But General Senbiring says that by taking hostages, such as the Swiss missionary pilot two weeks ago, the OPM is trying a new tactic to try to raise ransom money to buy arms and ammunition.

Certainly when I visited the border area about 35km from Jayapura, the Indonesian security forces were taking no chances.

Two jeep loads of plain-clothes men, accompanied me and our movements were radioed to military checkpoints.

So close

I had to remind myself that this was not happening in some remote part of Asia, but in a place so close to Australia that I could pick up the ABC news from Perth and Brisbane on my transistor radio.

Yet Irian Jaya is remote, the last Indonesian frontier. The Indonesian nation stretches 5152km from west to east and is made up of 13,677 islands.

Irian Jaya, the western part of New Guinea, contributes 22 per cent of the total land area of the Indonesian Republic. And land is the key to the present troubles and the reason why Europeans ranging from missionaries to diplomats believe the crisis can only worsen.

The present population of Indonesia is 157 million — exceeded only by China, India, the Soviet Union and the U.S. Half the population is under 20 years old.

By the end of this century, Indonesia's population will be between 210 to 238 million. By the year 2030 it may have stabilised to around 320 million.

One overcrowded island — Java — has a population of around 92 million. Its capital, Jakarta, has a population of seven million.

By the end of this century there will be 15 million residents in the central city of Jakarta alone and another 10 million living in surrounding areas.

Think of those figures. Think of the Indonesian planners in the teeming, smog bound, clogged and noisy city of Jakarta.

Then think of Irian Jaya, four times the size of Java, but with a total population of only 1.2 million — a rich storehouse of resources such as uranium, gold, coal, timber. Underground, it has perhaps more oil than Sumatra.

Above the ground is one of the richest copper deposits in the

world, a few small fishing villages on the coastline and some scattered villages on the more fertile valleys inland.

But above all, Irian Jaya is virtually empty.

In 1964, a year after Indonesia was given control of Irian Jaya by the United Nations the first "transmigrants" arrived at Jayapura to go out into the country.

Each of the 262 families were given two hectares of land and, in accordance with the transmigration policy, help to build a home and enough free sugar, salt, rice, kerosene and cooking oil to last them for a year, or till the first vegetable or rice crop was harvested.

The programme steadily — and reasonably gently — accelerated so that today there are 68,377 new settlers on the land.

But suddenly there has been a change of policy. The latest Indonesian five-year plan — Repelita IV — calls for no less than 689,000 people to be moved to Irian Jaya by the end of 1989.

Target

This year's target alone is 66,000 people, or almost as many people as the total figure for the past 20 years.

The total cost of the transmigration programme for 1984-85 is \$43 million — nearly half the total development budget for the province of \$91 million.

Many of the new settlements are planned for

the border area with Papua New Guinea. Most of the settlers will be Javanese.

The settlements will be linked together by a 900 km-long north-south all-weather highway. Already about 360km of the highway has been built.

So, by 1989, Irian Jaya will be completely "Indonesianised."

The predominantly Javanese population will easily outstrip the indigenous Melanesian people.

An increasing number of voluntary migrants, mainly small business men from the other islands of the Republic also will flock in.

Already around 160,000 voluntary migrants have arrived. In Jayapura, the grubby provincial capital, you can see the effects already.

There is hardly a Melanesian face to be seen. What was once a Dutch colonial outpost has become a distinctly Asian town.

Mosques

Food stalls sell satay and nasi goreng. New mosques are going up. A Melanesian people converted to Christianity by foreign missionaries now finds 151,000 Moslems in its midst.

By 1989 a string of these Asian settlements will be established along the border with Papua New Guinea. They will comprise a "cordon sanitaire" against OPM guerillas and Melanesia.

To fuel any tension

that might normally occur when one race is absorbed by another, consider this: The Irianese are getting no cash compensation for land alienated for transmigration settlements.

Traditionally, Melanesians own land as clans, not individuals. It is held in trust for future generations and it cannot be given away.

But in Irian Jaya, as Mr Sorwoko, the Javanese head of the Transmigration Office explained: "There is no cash compensation because the land is part of the Indonesian nation and the development is for everybody's benefit.

"We build roads, schools, houses. Twenty-five per cent of each new settlement is reserved for the local people so that they can be taught new skills and become integrated."

Integration of Javanese and Irianese farmers has worked well in settlements like Koya about an hour's drive from Jayapura where more than 2000 people apparently coexist happily, with their small homes and gardens stretching out in neat rows.

But other settlements have had to be abandoned and missionaries tell of a growing number of disputes over land.

In the border area the tensions are bound to increase as land in Irian Jaya, traditionally owned by Papua New Guinea clansmen across the border, is alienated for transmigration settlements.

INDONESIA

MP'S COMMENT ON PRIBUMI, NONPRI ISSUE

Jakarta SUARA KARYA in Indonesian 24 Mar 84 pp 1, 8

[Excerpts] R. Soekardi, chairman of the Development Work Faction (FKP), affirmed that since the general meeting of the MPR [People's Consultative Assembly] in 1973 the FKP has not been in agreement with the use of the terms native and nonnative entrepreneurs. These terms have overtones of racial discrimination, and the 1945 Constitution forbids discrimination.

Soekardi made this statement in his office to reporters in answer to requests for his response to the briefing given by Gen L. B. Murdani, PANGAB [Commander, Armed Forces], at the meeting of national entrepreneurs sponsored by KADIN [Chamber of Trade and Industry].

Meanwhile, in a separate statement, Amin Iskandar, member of the DPR [Parliament] from the FPP [Development Party Faction], said that Gen L. B. Murdani's statement was the ideal. Nevertheless, Amin Iskandar believes that the underlying problem is not the terms native and nonnative for entrepreneurs. The underlying problem is the significant difference in power between the two groups.

It Came from Them Themselves

According to Soekardi, the terms native and nonnative came from entrepreneurs themselves and not from politicians. Politicians have only noted the situation based on the hopes and aspirations of society which have been brought to their attention.

Realistically, the terms native and nonnative can only be abolished by the entrepreneurs themselves and "the terms will certainly disappear by themselves if the entrepreneurs change their behavior and their mental attitudes," said Soekardi.

Nevertheless, he pointed out that in the long run the problem of the disappearance of the terms native and nonnative will not be solved unless there is also a fundamental narrowing of the distance between the native and nonnative groups of entrepreneurs. Within a larger framework, in short, the demand is being made that the nonnative entrepreneurs provide incentives for the native entrepreneurs and take them along so that they can advance and follow in their footsteps.

Commenting on the Resolution of Cooperation and Agreement among National Entrepreneuers, which came out of Thursday's [March 22] meeting, Soekardi, chairman of

the FKP, stated that the national economy would advance if harmonious relationships developed among strong, intermediate and small entrepreneurs.

Assimilation

As for the terms native and nonnative, Soekardi also stressed the need for real assimilation in the widest sense. He said that people ask where assimilation should begin. Some believe that assimilation will happen by itself when economic assimilation comes about. Others have said that it should be carried out as it is being done now, in the social and cultural realm. According to Soekardi, what is important is a basic determination and desire on all sides. He gave assimilation of entrepreneurs as an example; the native entrepreneurs must stop being suspicious of the nonnative entrepreneurs, and the nonnative entrepreneurs, on the other hand, must show their good faith in the area of business by really wanting to assimilate and not acting exclusionary. If they continue to be exclusionary, this means competition in business and in fact that is their position.

It will Disappear by Itself

Amin Iskandar admitted that the terms native and nonnative, at first glance, have a racial connotation which goes against the spirit and the soul of the 1945 Constitution. And yet he is convinced that the terms native and nonnative will disappear by themselves and that there will no longer be any problem when the two groups are equally powerful. He gave developed countries such as the United States and the countries of Europe as examples: since the native population is strong, there is no problem of native versus nonnative.

"This is unlike the situation in Indonesia where there is a vast imbalance of power," said Amin, adding that the native entrepreneur is like a Kuningan horse and the nonnative entrepreneur is like an Australian horse.

Nevertheless, the MP added that if we want to abolish these terms and still be consistent, there cannot be discrimination in any area. "And if this is really carried out, it will have far-reaching effects," said Amin, adding that up to now there have been differences in the way some areas have been treated, for example land ownership in the agrarian laws.

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CHALIK ALI: MASS ORGANIZATIONS MAY INCLUDE POLITICIANS

Surabaya SURABAYA POST in Indonesian 4 Apr 84 p 1

[Text] Jakarta--Dr A Chalik Ali, a former member of Parliament, considers that there is no law requiring the Executive Committee of the NU [Muslim Scholars] or of any other mass organization to purge themselves of politicians.

He made this comment to the press on 4 April regarding the statement by Taman Achda, a leader of the Development Unity Faction in Parliament, that the leadership of the NU at all levels must be purged of politicians. He said this was a logical consequence if the NU readopted its original Declaration of 1926.

Chalik, who is also treasurer of the Executive Committee of the NU, said that in the near future the government will only propose a draft bill on mass organizations and not a draft bill on the NU. He said: "Therefore, because it is a draft bill on mass organizations which will be presented, all mass organizations, including the NU, the SI [Sarekat Islam--Islamic Union], the PNI Kosgoro [Kosgoro faction of the Indonesian Nationalist Party], the MKGR [Mutual Assistance Working Council], and other organizations which are not political bodies, will object if the executive committees or mass organizations must all be purged of politicians." If this involves rearranging the positions on the executive committees of mass organizations and accepting persons who simultaneously hold positions on the executive committees of political parties or functional groups, this is an internal question for the organization concerned." He gave as an example J Naro, the chairman of the MI [Indonesian Muslim Community] who was also needed to serve at the same time as general chairman of the PPP [Development Unity Party]. He said that this was a matter for the MI to decide.

The NU National Conference of Ulama at Situbondo [East Java] decided that there could be no simultaneous holding of organizational positions. However, this was not the political reason for returning to the NU Declaration of 1926. It was exclusively for the management efficiency of the NU. And the rule that there should be no simultaneous holding of organizational positions was referred to the Executive Committee of the NU to apply on a selective basis, in accordance with the situation.

He said that at the NU National Conference of Ulama no decision was ever taken to apply the principle of "a trial period." This matter needs to be clarified, in order to prevent misunderstandings among the people, because the NU is bound by the consensus reached in 1973, under which it joined in establishing the PPP. It needs to improve the quality of the Central Executive Council of the PPP and not merely damage the interests of the NU.

ECOLOGICAL DISASTER IN EAST KALIMANTAN WENT UNNOTICED

Kuala Lumpur BUSINESS TIMES in English 20 Apr 84 p 21

[Article by Brian Johnson: "Ecological Disaster That Went Unnoticed"]

[Text] ONE of the greatest environmental disasters of the century took place in Indonesia last year without the world noticing.

Between February and May 1983 an area the size of Belgium in East Kalimantan was ravaged by fires. They occurred during a drought, one of the many peculiarities of weather last year which included drought and bushfire in Western Australia, drought in Africa and floods in western Latin America.

The Australian drought and fires received worldwide coverage, but the far more devastating fires of Kalimantan went unreported--despite the fact that this single disaster appears to have increased by about 50 per cent the total estimated extent of global deforestation in 1983. The fires in the Indonesian province of East Kalimantan were 15-20 times as large as the Australian fires.

On Kalimantan, between 3.1 and 3.5 million hectares (7.7-8.6 million acres) of normally lush tropical moist forest were largely destroyed.

The burnt area stretches inland from the town of Balikpapan on the east coast into the central highlands.

In this area, 50 per cent of the trees were killed by the fire, according to West German experts who surveyed the area. Other trees weakened by fire may die more slowly of disease and exposure.

Bad luck

The destruction breaks down as follows: 1.4 million hectares (3.4 million acres) of logged forest; 800,000 hectares (two million acres) of primary forest; 750,000 hectares (1.8 million acres) of secondary forest which housed many

villages from which the villagers fled before the blaze; 550,000 hectares (1.3 million acres) of peat swamp forest, where the intense heat of the blazing peat killed 90 per cent of all trees.

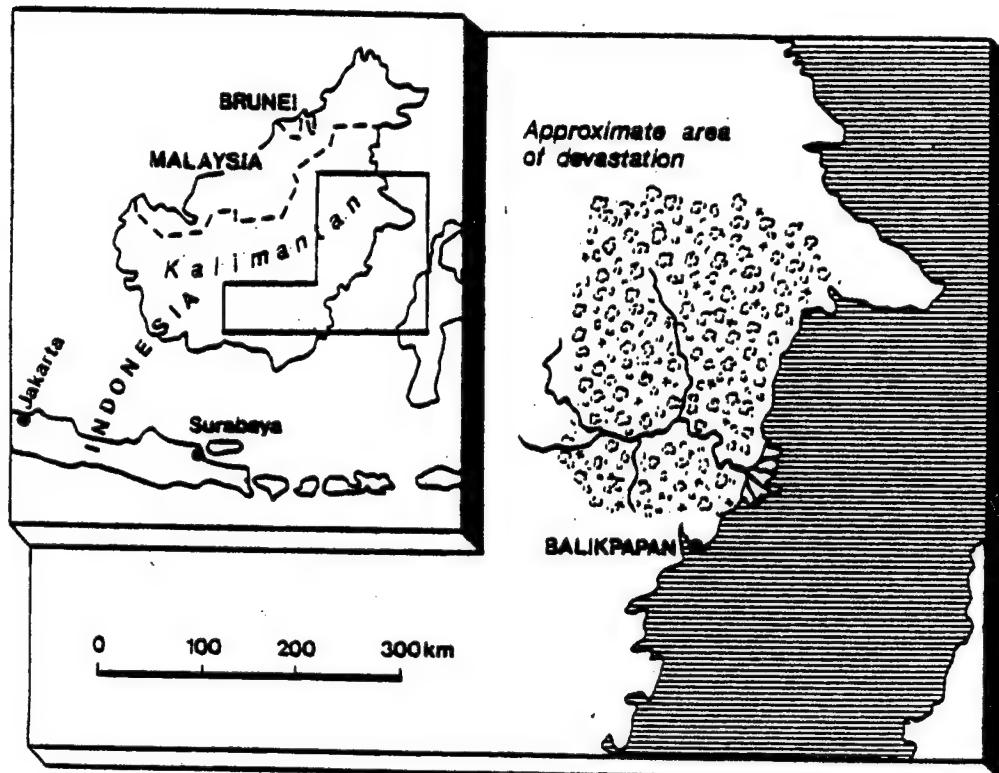
The value of the timber lost in the primary forest alone is estimated very conservatively at US\$7.4 billion.

The massive scale of the fire is attributed to a combination of bad luck and bad management. The sort of "tropical moist forest" found on Borneo — and in other parts of South-East Asia, in the Amazon Basin and in West Africa — are rarely destroyed by fire because they are usually — as their name

says — "moist".

Yet in Kalimantan, the rains failed in 1982 and failed again in 1983. It was the worst drought in the area since one described by a German geographer who crossed Borneo in the 1870s and found the forest people on the edge of starvation, unable to live off the normally abundant fruits of the jungle because of an apparently similar failure of the monsoon rains.

But even a drought-stricken "rainforest" has relatively little undergrowth to feed a forest fire. A fire may move quickly through such forest, scarring trees but killing few.



Incalculable

However, East Kalimantan's dense forest has become the focus of some of the most widespread and, until recently, profitable logging in the world. These largely unregulated and uncontrolled ventures by more than 100 companies left the forest floor littered with tinder-dry refuse to add energy to any blaze. One Indonesian study found that logging destroyed or damaged about 40 per cent of trees left behind.

In the dry peat swamp forest, the fire went down as deep as two metres (six feet) into the peat and spread underground.

The resulting fires, raging out of control for four months, produced a pall of smoke which stretched over hundreds of kilometres. The airport of Singapore, 450 km (280 miles) distant, rescheduled flights because of the smoke haze. The airport

of Surabaya, 250 km (155 miles) across the Java Sea was closed for long stretches. Planes and even boats could not get into Balikpapan until the sea breeze came.

Over much of the area isolated pockets of forest survive, mainly along creeks and steep gulleys, but the casualty list includes 120,000 hectares (296,000 acres) of the proposed Kutai National Park. Here as elsewhere the toll in plant species and wildlife is incalculable.

Calamity

Under its present "transmigration scheme", the Indonesian government is moving people from the crowded islands of Java and Bali to the less crowded but heavily forested outer islands. It had planned to move 100,000 families to East Kalimantan. Ironically, many of the sites chosen for clearance and settlement escaped the 1983 blaze. It is not

known whether the government intends to proceed with its plan to clear these areas, adding to the deforestation accomplished by nature.

Neither is it known how the world's Press missed a calamity of this size and why the Indonesian government has never officially acknowledged it.

Last November the UN Conference on Trade and Development (Unctad) concluded a new international tropical timber agreement. It has been reported in the Press that Indonesia, the largest exporter of tropical timber, would like the proposed International Tropical Timber Organisation which will operate the agreement to be based in Jakarta.

If the Indonesian bid for the headquarters were to be successful, might this help prevent such ecological disasters in the future? — Earthscan

THREE BASIC PROBLEMS IN AGRICULTURAL DEVELOPMENT

Jakarta SINAR HARAPAN in Indonesian 29 Mar 84 pp 1, 12

[Text] Minister of Agriculture Engr Achmad Affandi has stated that it is anticipated that three basic problems will be faced in the field of agricultural development during Repelita IV [Fourth 5-Year Plan]. These problems are: maintaining the food supply, increasing foreign exchange earnings or reducing the expenditure of foreign exchange, and rural unemployment.

The minister made the statement while addressing a meeting of Central Java provincial authorities, district heads and mayors, and heads of regional government agencies. The meeting was held on Wednesday afternoon [28 March] in the auditorium of the Semarang Academy of Public Administration.

The minister said that in handling the basic problem of food supply, we are faced with the challenge of finding ways to maintain the increased level of rice production already achieved and at the same time increase the production of nonrice foods so that we can achieve and maintain a condition of self-sufficiency in food production.

And while engaged in these efforts we must also try to increase the income of farmers, provide for an equitable distribution of income, increase employment, utilize and maintain natural resources, maintain and improve the environment, and upgrade rural development as an integral part of the process of regional development.

In our efforts to increase our foreign exchange earnings from agricultural exports the problem is one of finding ways to raise these earnings to a figure of \$5 to \$6 billion a year through 1988, and in reducing our expenditure of foreign exchange we are faced with the problem of increasing the production of goods we have stopped importing.

We also are faced with the complicated problem of finding ways to simultaneously increase the income of estate farmers, provide for an equitable distribution of income, increase employment, and utilize and maintain natural resources.

With regard to rural unemployment, the minister said that we are faced with the problem of an increasing rural population that owns no land and that this situation results in an increase in concealed unemployment.

Vigorous Agriculture

The minister said that the concept of a vigorous agriculture should be explained more clearly to avoid different interpretations of the concept and so that the concept can be promoted jointly and in an optimal manner. Vigorous agriculture requires vigor on the part of farmers, vigor on the part of social institutions, a vigorous agricultural apparatus, a vigorous ecology and sectoral vigor, he said.

He also noted that prior to the takeoff toward a just and prosperous society, several important changes have been made in the government apparatus that handles the agricultural sector. And, in line with these changes, certain changes also have been made in the structure of the Bimas control board. These changes will allow the board to accommodate itself to an expansion of its functions. In the past Bimas was only concerned with food crops but it will now handle three fields, namely, food crops, stockbreeding and fisheries, and hard crops/estate crops.

Intensification Programs

Directive of the Minister of Agriculture/Chairman of the Bimas Control Board No 01/SK/Mentan/Bimas/I/1984 has been issued in preparation for our entrance into the first year of Repelita IV. This directive deals with the planned use of agricultural intensification programs in raising paddy and other food crops in fiscal 1984/85.

On the basis of the joint monitoring activities that have been carried out, it can be said that there are several significant problems that require better handling. In the case of paddy, rats are a chronic problem and the spread of the "tungro" disease carried by the green rice beetle requires more careful attention and more effective control. In the case of corn, more careful attention should be given to the factors that are affecting target achievement in small-scale intensification projects and also to the delay in adopting yellow corn. In the case of soybeans, only one or two districts have been successful in encouraging mass participation.

The minister said that intensification programs are being carried out for two types of estate crops, namely, sugar cane and cotton. He added that farmers are not showing much interest in growing sugar cane on their own land.

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INDONESIA

TIMBER ESTATES TO BE DEVELOPED TO PROVIDE WOOD FOR ENERGY

Jakarta KOMPAS in Indonesian 5 Apr 84 p 2

[Text] Jakarta, KOMPAS--The government is planning the development of timber estates (tree farms) in seven provinces. These forests are intended to provide energy. This is contained in the General Plan for the Development of Timber Estates [Timber Estates in English in the text], which has been published by the Department of Forestry.

According to this plan, tree farm units for energy purposes will be distributed as follows: in Lampung Province, 50,000 hectares; in West Java, 50,000 hectares; in Central Java, 50,000 hectares; in East Java, 100,000 hectares; in West Nusa Tenggara, 25,000 hectares; in East Nusa Tenggara, 25,000 hectares; and in Irian Jaya, 25,000 hectares.

The types of trees which will be planted include: *Acacia Auriculiformis*, *Leucaena Leucocephala*, *Eucalyptus Urophylla*, *Acacia Mangium*, *Pterocarpus Sp*, *Leucaena Glerycidea*; and *sungkai*, *bakau*, and *johar* [varieties of tropical woods].

However, Dr Sadan Widarmana, a forestry expert from the Bogor Agricultural Institute, speaking at the Timber Estate Development Unit in Bogor at the end of March, suggested that the types of trees to be used should be limited to the first four listed above. These tree varieties meet the requirements for providing wood for energy purposes and can also be used as raw material for the production of wood pulp.

Simple

According to Doctor Sadan, wood is the simplest source of energy and can be burned directly. The heat produced can be used for a number of purposes, such as cooking or heating steam boilers for industrial needs.

In the forestry industry steam can be used for drying lumber, veneer, pulp, paper, and to heat hot presses. The steam can also be used to turn electricity generators.

The technology for the conversion of wood into electricity is developing quickly. Very modern boiler designs have been prepared to increase combustion efficiency

and reduce air pollution. Wood can be burned in fireplaces in the form of logs, split firewood, wood chips, and sawdust.

Because wood has a low caloric value (one-fourth to two-fifths of the caloric value of petroleum), its economic competitiveness is rather limited. The distance involved in transporting wood from a forest to an electricity generator or to a center of consumption is a limiting factor. However, by converting wood into charcoal, the caloric value can be raised to a point where it has two-thirds the caloric value of petroleum. Then charcoal can be compressed into briquettes, to make them lighter to transport.

The caloric value of wood ranges between 10,500 kJ (Joule kilograms) [a scientific measurement of heat equivalents] and 20,000 kJ. In connection with the conversion of wood into energy, the important factor to keep in mind is the production of wood tar which can be burned like petroleum, with a caloric value of up to 23,000 kJ per kilogram.

In addition, wood can be converted into wood gas. It can be used to operate furnaces or power electric generators. Wood gas can be used to operate gasoline or diesel-type engines with a little adjustment.

Wood can also be converted into alcohol (ethanol). Ethanol can be mixed with gasoline to become what is known as gasohol.

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CSO: 4213/208

INDONESIA

ALI WARDHANA: ECONOMIC CONDITIONS HAVE IMPROVED

Jakarta SINAR HARAPAN in Indonesian 29 Mar 84 p 1

[Text] Prof Dr Ali Wardhana, the coordinating minister for economics, finance and industry (Ekuin) and the supervision of development, noting that Pelita IV [Fourth 5-Year Plan] will begin in only a few more days, has said that economic conditions in Indonesia have improved. He said that the government has succeeded in holding the deficit in the balance of payments to \$4.7 billion, although the original projection was that it would reach \$11 billion, and in increasing national foreign exchange reserves from \$3 billion to the present \$5 billion.

The minister was speaking at a ceremony in which five 1st-echelon officials and ten 2nd- and 3rd-echelon officials were appointed to positions in the Ekuin sector. The ceremony was held at the Department of Finance on Thursday morning [29 March].

He said that economic conditions had improved as a result of the economic policies adopted by the government, including devaluation and the reduction of the subsidies on fuel oil and food.

Another policy that was adopted to safeguard the national economy was the rescheduling of 10 projects that will cost about \$21 billion.

As a result of these policies the government has succeeded in holding the deficit in the balance of payments to \$4.7 billion. The original estimate was that the deficit would be \$11 billion.

The increase in national reserves of foreign exchange to \$5 billion, up from \$3 billion, has been another result of the implementation of these policies.

Most Difficult

Ali Wardhana said that 1983/84, the last year of Pelita III, was the most difficult in terms of Indonesia's economic development. Economic conditions were serious at the end of Pelita II, he said, but not as serious as at the end of Pelita III.

He said that poor economic conditions have been experienced throughout Pelita III.

No oil exports fell below \$4 billion in the 4th year of Pelita III, however, they have improved in the final year of Pelita III and it is estimated that they will reach more than \$5 billion, he said.

Although economic conditions have improved as we enter Pelita IV, this does not mean that all problems have been overcome. We will still face a serious situation in the first year of Pelita IV, he said.

The government is determined to apply various policies in facing this situation, including its present policy of reducing the fuel oil subsidy through price adjustments. "Perhaps we can overcome this problem in the 1st year of Pelita IV, 1984/85," he said.

Ali Wardhana also asked the newly appointed officials to develop good cooperative relationships with the other officials in the government departments in the Ekuin sector.

5458

CSO: 4213/201

INDONESIA

MEETING OF ENTREPRENEURS OF STRONG, WEAK ECONOMIC GROUPS

Murdani on Pri, Nonpri

Jakarta KOMPAS in Indonesian 23 Mar 84 pp 1, 12

[Text] In order to increase national unity and integrity entrepreneurs must abolish the labels native and nonnative. These labelings must be dropped because they can lessen national unity.

"If we continue to use the terms native and nonnative, they will present us with a serious obstacle. Even if those discriminatory terms disappear, it will be meaningless unless it is accompanied by concrete actions to achieve national unity," said Gen L. B. Murdani, commander of ABRI [Republic of Indonesia Armed Forces], at a meeting of private entrepreneurs held at the Jakarta Hilton on Thursday [22 March] to welcome REPELITA [5-Year Development Plan] IV.

In opening the meeting, Prof Dr Ali Wardhana, coordinating minister for economics, finance and industry/overseeing development, who represented Vice-President Umar Wirahadikusumah, said that he hoped that the entrepreneurs of the economically strong groups would help the government in its efforts to increase the capabilities of economically weaker and intermediate entrepreneurs.

"Strong entrepreneurs have greater opportunities to make use of the facilities provided by the government. Therefore, they should train and include economically weaker entrepreneurs in their enterprises," said Ali Wardhana.

The meeting was sponsored by the Indonesian KADIN [Chamber of Trade and Industry]. It lasted for 1 day, ending on Thursday [22 March] evening, at which time a "Resolution of Cooperation and Agreement among National Entrepreneurs" was handed over to the government. Among the strong entrepreneurs who handed in this document were Sudomo Salim (Liem Soei Liong) and William Soeryadjaya.

National Outlook

L. B. Murdani, in the briefing which he gave to the members of the Indonesian KADIN, brought up the question of a national outlook. He said that one of the special missions of this national outlook is national unity and integrity. This mission must be protected and made secure.

As one component of our society, entrepreneurs must create a firm unity and integrity.

Along with this, entrepreneurs must have the courage to get rid of all labels which can lessen our unity; i.e. those which reflect, on the one hand, discriminatory attitudes and actions and, on the other hand, exclusivism. Examples are the terms native and nonnative, which discriminate in terms of descent, origin, social status, region and religion. "The terms native and nonnative must be abolished," he said.

Fairer

Ali Wardhana, coordinating minister for economics, finance and industry, said that in economic development the government is basing itself on the theory that social welfare and not individual welfare is most important. This is in line with section 33 of the 1945 Constitution. Therefore, starting with PELITA [5-Year Plan] I and up to the present efforts have always been made to achieve an even distribution of development.

To illustrate this even distribution Ali Wardhana pointed to government efforts to train the economically weaker groups. Since most Indonesians are farmers the government has been making efforts to help this group by developing dams, irrigation projects, BIMAS [Mass Guidance] credits, fertilizer and so forth.

The government has also been making efforts to provide an even distribution of credits to economically weaker enterprises, through KIK (Small Investment Credit), KMKP (Permanent Working Capital Credit), small loans to vendors, minicredits and so forth. "Although the government is trying as hard as possible to help the economically weaker groups, many small and intermediate enterprises have clearly not yet received help," he said.

Therefore, the economically stronger groups can play a more positive and active role by helping to increase the capabilities of the economically weaker groups. A pattern of national development, which increasingly includes all forces within society, must be developed. "And also develop a fairer pattern of redistributing the fruits of development," said the coordinating minister for economics, finance and industry.

He stated that the government has continued to support the economic climate so that entrepreneurs can develop even further. This has been done by means of increased tax and credit facilities. However, because the economically strong groups have a lot of capital and capabilities they have more opportunities to take advantage of the facilities which the government provides.

Therefore, to create harmony and balance the economically stronger groups should train and include the economically weaker entrepreneurs in their enterprises.

He reminded the listeners that there are many economically weaker and intermediate entrepreneurs and that they are everywhere. They can provide support for government and private enterprises, e.g. by becoming suppliers, to work on raw or semi-finished materials which the economically stronger entrepreneurs need. In fact, once they have progressed and become stronger, these weak entrepreneurs can be made into partners in the enterprise.

Resolution of Meeting

Jakarta MERDEKA in Indonesian 23 Mar 84 p 10

[Text] The Indonesian KADIN was urged to form a body, either a board or an institute or a team or taskforce, which will try to train and develop national enterprises, in particular to develop relationships among strong, intermediate, weak and cooperative entrepreneurs.

This was put into a joint resolution issued in Jakarta on Thursday [22 March] by the participants in the meeting of economically strong, intermediate, weak and cooperative national entrepreneurs sponsored by the Indonesian KADIN.

The 450 national entrepreneurs who attended the meeting, which lasted for only 1 day, agreed to participate fully, actively, dynamically and without regard for native or nonnative descent, ethnic group, origin, social status, region of origin, religion or belief in God the All-Mighty, in realizing the goal of a just and prosperous society.

In addition, in the joint statement signed by 17 leading entrepreneurs from various ethnic groups the participants at the meeting issued several joint resolutions.

These resolutions included: unify all the abilities and strengths of our national enterprises to participate actively and dynamically in making REPELITA IV and national development a success.

Develop strong, honest, incorruptible and responsible national enterprises in which state enterprises, cooperatives and private enterprise will work together in harmony and in balance and create mutually satisfying connections among large, intermediate and small enterprises so as to bring about a permanent, concrete, dynamic, total and harmonious system of national enterprises.

In this joint statement, which was read by Baramuli, S.H. [Doctor of Jurisprudence], deputy general chairman of the Indonesian KADIN, the participants at the meeting also decided to train and develop the economically weaker groups so that they would be able to increase their economic organizational and management capabilities and, together with economically stronger groups, state enterprises and cooperatives form the backbone of our national economy.

The meeting also urged all national entrepreneurs to become members of the Indonesian KADIN and to participate fully in all of KADIN's activities in partnership with a strong and responsible government in making national development a success and in carrying out government laws and regulations, including the national tax laws.

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CSO: 4213/199

ENACTMENT OF ANTITRUST LAW SUGGESTED

Jakarta HARIAN UMUM AB in Indonesian 23 Mar 84 pp 1, 8

[Text] Prof Eng M. Sadli, secretary general of the Indonesian KADIN [Chamber of Trade and Industry], said yesterday that it is time for us to think about and prepare antimonopoly and antitrust legislation such as exists in the developed countries.

He expressed this opinion in a paper given at the national entrepreneurs' meeting sponsored by KADIN and held at the Jakarta Hilton. The paper was entitled "Cooperation between national private interests to encourage capital investment and REPELITA [5-Year Development Plan] IV."

He made this statement in connection with his suggestion that joint enterprises between the BUMN [State-Owned Enterprise Board], the PMA [Foreign Capital Investment], strong PMDN [Domestic Capital Investment] and intermediate/weak PMDN be stepped up because these four elements are a national asset.

Antimonopoly and antitrust legislation can prevent the strong entrepreneurs from swallowing up the weak ones in such joint enterprises.

Prof Sadli also mentioned the importance of the social investment element in REPELITA IV, which will be about 67.5 trillion rupiahs, and that we need a balanced and harmonious climate among various sectors, groups and so forth in carrying out development under REPELITA IV.

"The slogan is balance and while it is nice to hear the word balance, its operating standards should even more be tied to harmony and balance among the PMA, the large PMDN, and intermediate and small companies, in particular if it is connected to ownership by natives and nonnatives," he said.

Therefore, in line with REPELITA IV, cooperation among businesses, the "stepfather" system and all cooperation which reflects the strong helping the weak, etc. should be encouraged.

One effort the government is making to help develop the business world is to provide continuing nondiscriminatory credit facilities.

One important element in preventing and reducing the concentration of capital and ownership is to give an incentive to companies to go public and to enable private companies to trade their shares on the stock market.

The government can also set up a trust fund to buy and protect stock being prepared for a public offering and government institutions such as BAPINDO [Indonesian Development Bank], DANAREKSA [expansion unknown] and BAHANA [expansion unknown] can be given the task of participating.

SCRAPPING OF MERCHANT SHIPS PLANNED

Age Limit on Ships

Jakarta HARIAN UMUM AB in Indonesian 26 Mar 84 pp 1, 8

[Text] Minister of Communications Rusmin Nuryadin has announced that no EMKL units [maritime freight-forwarding units] will be permitted to operate after 1 April 1984. Also, if EMKL companies, including general EMKL companies, shipping EMKL companies, commercial and industrial EMKL companies and export EMKL companies utilize the services of EMKL units then the business licenses of the companies will be cancelled.

The minister made the announcement to reporters after he and Coordinating Minister for Economics, Finance and Industry Ali Wardhana, Minister of Finance Radius Prawiro, Minister of Trade Rachmat Saleh, Minister of Industry Engr Hartato and the director general of customs and excise met with President Suharto at Merdeka Palace on Saturday afternoon [24 March].

Minister Rusmin Nuryadin had met with President Suharto on Thursday to discuss support for ocean transportation as a means of increasing the level of nonoil exports and domestic economic activity, and Saturday's meeting was an extension of that meeting.

The minister also said that ships more than 30 years old would not be permitted to operate after 1 May 1984, and that ships more than 25 years old would not be permitted to operate after 1 January 1985.

"Some of these ships are owned by the private sector, but state companies also own some of them," he added.

The minister said that these ships cannot be operated nor can they be purchased or sold or put into drydock. He said that if they are put into drydock it would mean that they still represent an investment and have economic value.

Instead, they will not be permitted to operate and this means they will have to be treated as scrap iron.

The minister said that the scrapping of the old ships will not affect the frequency or capacity of ocean transportation on domestic or international lines because the demand can be met by the remainder of the fleet.

The policy of terminating the EMKL units and banning the operation of ships more than 30 years old was adopted to ensure that the cost of ocean transportation does not increase the burden of costs that weigh down consumers and the public, and also to make our export commodities more competitive on foreign markets.

The minister said that a study had found that the owners of goods frequently complain about high transportation costs, and also that the shipping companies have many problems and that some have even gone bankrupt.

When the study was narrowed down to one large EMKL unit it was found that the unit engaged in practices that might be considered manipulative and that as a result of these practices the unit charged high rates.

The EMKL units do not have business licenses and their operations have never been authorized. They make their profits by milking both the owners of goods and the shipping companies, and on top of that, they never pay taxes.

Therefore, the government has decided to terminate the operations of the EMKL units and to cancel the business licenses of any authorized EMKL companies that continue to use the services of EMKL units.

Regarding the old ships, the minister said that they would be scrapped because they are no longer efficient or effective and have no economic value. The cost of operating these ships ultimately is borne by the consumer, and this means that these costs could go even higher.

The minister noted that some individuals and companies own ships but do not have operating licenses and instead operate their ships under the flags of other shipping companies. He said that as of 1 May 1984 these persons and companies will not be permitted to operate their ships unless they enter into an affiliation with a licensed shipping company.

The purpose of this action is to prevent the establishment of freight rates that are unhealthy and that are not in conformance with the directives issued by the minister of communications.

The minister said that he recognized that there are certain to be problems in implementing the new policy but that this has been taken into consideration and that every effort will be made to find optimal solutions to these problems.

He also said that the application of the new policy will be supervised, and that this will include both supervision by the inspector general and close or direct supervision.

Three Problems

Jakarta HARIAN UMUM AB in Indonesian 26 Mar 84 pp 1, 12

[Text] The government's decision to scrap ships more than 30 years old beginning 1 May 1984 and ships more than 25 years old beginning 1 January 1985 creates three problems that will require serious attention. The first problem is that the crewmen who work on the ships will lose their jobs. The second problem is that the titles to the ships will have to be obtained from the banks. And the third problem has to do with whether or not Krakatau Steel is ready to handle or buy all of the ships that are to be scrapped.

A SINAR HARAPAN reporter was told by a source in INSA (Indonesia National Shipowners Association) on Monday morning [26 March] that the titles to some of the ships that are to be scrapped have been turned over to banks as collateral.

The shipping companies that are using the ships as collateral will have a difficult time repaying their loans to the banks if the ships are scrapped. And so to prevent an undesirable situation from developing, the government should draw up guidelines on how this matter is to be handled without damaging either side, and these guidelines should be drawn up at the earliest possible moment.

An even more difficult problem, and one that concerns the human factor, is the loss of jobs that will result from the scrapping of the ships. SINAR HARAPAN's source said that most of the ships that will be scrapped are inter-island ships. He said that 25 to 30 percent of the ships in the interisland trade are more than 25 years old. It is estimated that about 100 interisland ships will be affected by the government's decision, but this is not a definite figure because an inventory is still being taken. Only about 10 percent of the ships that service feeder routes will be affected by the new policy.

The third problem that requires serious attention is Krakatau Steel's readiness to handle all of the ships that will be scrapped. According to the regulations, all national merchant ships that are to be scrapped must be sold to Krakatau Steel, which cuts them up and uses them as feedstock for the steel mill. The source said that the purchase price paid by Krakatau Steel ranges between \$40 and \$60 per ton of iron, and that this is much lower than prices on foreign markets. Taiwan, for example, pays \$125 a ton, he said.

Purchase of New Ships

Jakarta MERDEKA in Indonesian 27 Mar 84 p 1

[Text] A source in the Directorate General of Sea Communications said today that no less than 163 ships will be scrapped and 3,200 persons will lose their jobs under a new policy that will be implemented by the government.

Ships will have to be scrapped by 41 of the 52 interisland shipping companies. The directorate general's data show that 395 ships with a carrying

capacity of about 517,158 tons are being operated in domestic shipping. Interisland shipping will lose about 40 percent of its carrying capacity with the adoption of the policy on scrapping steel ships.

The directorate general confirms that as of the end of 1983 there were 342 steel ships in the interisland trade that were in fairly good condition. Thirty-eight of these ships, the ships in the worst condition, will be scrapped right away in the first phase of the scrapping program.

Reportedly, the carrying capacity of the national merchant fleet, which will be reduced as a result of the scrapping program, will be reconstituted through the purchase of new ships using credit from the World Bank. A definite figure on the number of new ships to be purchased has not been given.

The source in the Directorate General of Sea Communications also confirmed that the scrapping policy will be applied not only to interisland ships, but also to ocean-going vessels, special carriers, and ships that service feeder lines.

5458
CSO: 4213/201

INDONESIA

SUDOMO: SCRAPPING OLD SHIPS MUST NOT CREATE LABOR PROBLEMS

Jakarta KOMPAS in Indonesian 6 Apr 84 pp 1, 12

[Text] Jakarta, KOMPAS--Scrapping old ships in the framework of the reorganization of maritime transportation which will begin in May 1984 must not create new manpower problems. No company, either private or state-owned, may lay off its employees.

Minister of Manpower Sudomo made this statement when he was questioned by reporters after opening the third meeting of the ASEAN [Association of Southeast Asian Nations] Council of Trade Unions (ACTU). In fact, the minister of manpower was opening the "National Productivity Month Campaign," which is sponsored by the National Productivity Center (PPN).

Regarding the scrapping of ships, Sudomo declared that in principle this was the proper thing to do with ships which can no longer be operated economically. However, scrapping ships should not create new problems in the manpower field.

He could not agree that a state-owned or privately-owned shipping company which has ships being scrapped should dismiss or layoff employees. The retired Navy admiral said: "That cannot be done."

He emphasized that, beginning right now, the companies involved should make new plans so that none of their employees suffer as a result of the government decision to scrap old ships. For example, these companies should take action regarding the purchase of new ships and the labor arrangements affecting their employees. Such arrangements might take the form of reducing the hours of work or overtime. Or they might be sent home for a time until the new ships are available. However, employees who are sent home would continue to be paid.

Audit

According to Sudomo, if necessary, the Department of Manpower will audit shipping companies, as has been done with PELNI [Indonesian National Shipping Company, a state-owned firm]. This action was taken to determine what policy adjustments had been made by this company in handling its employees who had been affected by the scrapping of some of its ships.

The Department of Communications planned that as of 1 May 1984 ships 30 years old or older would no longer be permitted to operate. As of 1 January 1985 ships 25 years old or older would also be affected by the same provision.

Sudomo said that the Department of Manpower will help shipping companies to plan their manpower arrangements in connection with the scrapping of ships. Employees affected by the government decision can be transferred to other places, through the use of employment grants. Sudomo stated: "In short, I don't expect that there will be any new problems affecting employment. Everything must be taken care of."

Thousands of Seamen Affected

Meanwhile, Ch David, general chairman of the SBKMI [Indonesian Maritime Employees and Workers Union], stated that the problem of mass dismissals of seamen in connection with the scrapping of ships had been discussed by INSA [Indonesian National Shipowners Association], the SBKMI, and KPI [Indonesian Seamen's Union]. These three organizations met on 5 April.

A preliminary study indicated that about 2,500 seamen would be unemployed and that new jobs would need to be found for them. This just affected one group of workers, the sailors. This did not take into account specialized, local, and engineering employees, longshoremen, and others.

According to Ch David, all concerned agreed with the scrapping of ships 25 years old or older. However, they asked the shipping companies for time to find a solution to their problems. INSA also proposed that the ships be scrapped on a phased basis.

There are some old ships which have recently gone into drydock and have had major work done on them at the cost of hundreds of millions of rupiahs. If these ships are scrapped, beginning on 1 May 1984, the shipping companies that own them will suffer enormous losses. When ships stop operating, this means that there will be no income for the company, and the debt due the shipyards must be paid.

If the old ships which have just come out of drydock must be turned over to PT Krakatau Steel to be scrapped at a price of only 40 rupiahs per kilogram, the scrap value of the ships themselves will not be enough to meet the cost of dry-docking.

Ch David also emphasized that the problem of dismissals which have already occurred in the shipping industry was now being discussed by the SBKMI. David told a KOMPAS representative on 5 April: "At present we are only making a list of how many workers will definitely be unemployed as a result of this policy."

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CSO: 4213/208

INDONESIA

BIOGRAPHIC INFORMATION ON INDONESIAN PERSONALITIES

[Unless otherwise noted, the following information on Indonesian personalities has been extracted from Indonesian language sources published in Jakarta.]

REAR ADMIRAL PARAPAT--The post of assistant for financial affairs in the Department of Defense and Security, which until now has been held by Lieutenant General (Retired) Sarwono, on 31 March was transferred to his replacement, Rear Admiral Parapat, at a ceremony held at the Department of Defense and Security. Lieutenant General Sarwono immediately after the ceremony assumed his new duties as inspector general of the Department of Defense and Security. Rear Admiral Parapat also holds the position of director general for planning and budget affairs in the Department of Defense and Security. [Excerpt] [Jakarta HARIAN UMUM AB in Indonesian 2 Apr 84 p 2] 5170

LEGAL ASSISTANCE INSTITUTE APPOINTMENTS--Abdul Hakim G Nusantara, master of laws, and Nursyahbani Kacasungkana, master of laws, on 3 April were officially appointed director and deputy director, respectively, of the Jakarta Branch of the LBH [Legal Assistance Institute]. Their respective terms of office will last 3 years. Abdul Hakim G Nusantara, who graduated from the University of Indonesia in 1978, was born in Pekajangan Village, Pekalongan Regency [Central Java], on 12 December 1953. Since he began to work for the LBH in 1978, he has spent 2 years at Washington State University in Seattle, studying international business and politics and legal assistance programs. Nursyahbani Kacasungkana was born in Jakarta on 7 April 1955. He graduated from Erlangga University in Surabaya [East Java] in 1979 and began to work for the LBH in 1980. [Excerpt] [Jakarta SINAR HARAPAN in Indonesian 4 Apr 84 pp 1, 12] 5170

NEW MEMBERS OF DPA--Major General (Retired) Daryono, master of laws, and Maj Gen (Retired) Eddy Sabara, both former senior officials of the Department of Home Affairs, on 4 April were installed in office as members of the DPA [Supreme Advisory Council]. Their appointments were contained in Presidential Decision Letter No 61/M/1984. [Excerpt] [Jakarta SINAR HARAPAN in Indonesian 4 Apr 84 p 1] 5170

M WONOHITO DIES--M Wonohito, a long-time journalist, died early on 6 April at Panti Rapih Hospital in Yogyakarta after 5 weeks of treatment at the hospital for an illness. Wonohito, a reporter for over 30 years, was chief editor of the Yogyakarta daily newspaper, KEDAULATAN RAKYAT, when he died. In 1974 he was awarded

the Mahaputra Utama Star, Class III, by President Soeharto. He served as a member of the Supreme Advisory Council in 1973. He was born in Gombeng, Central Java, on 31 December 1912. He attended the Faculty of Letters and Philosophy in Jakarta [then Batavia] from the time it opened in 1940 until it was closed by the Japanese colonial army. He attended AMS [Dutch senior high school] in Surakarta and Yogyakarta and SMA [Indonesian senior high school] at Tweede Mulo in Yogyakarta. He taught at one time at the Taman Siswa national teachers' training school in Jakarta and was director of the Boedi Arti national teachers' training school. Although he did not attend the Taman Siswa school, he considered himself a pupil of the late Kyai Hadji Dewantoro. He leaves a wife, a son, and eight grandchildren. His remains will be buried at the Pahlawan Kasumanegara Cemetery in Yogyakarta on 7 April. According to Martono, his son, who was contacted by SINAR HARAPAN on 6 April, he was admitted to the hospital about 5 weeks ago, suffering from exhaustion due to overwork in dealing with a number of problems at his office. In addition to being editor of KEDAULATAN RAKYAT, he was also a member of the Press Council and held additional positions in other social organizations. [Text] [Jakarta SINAR HARAPAN in Indonesian 6 Apr 84 p 12] 5170

CSO: 4213/211

BRIEFS

LIMITATIONS ON BAPERKI MEMBERS--Former members of BAPERKI [Consultative Council on Indonesian Citizenship--Indonesian Communist Party front group] or of any other organization connected with the outlawed PKI [Indonesian Communist Party] are not permitted to work in an area where they can influence public opinion, such as the press. This was stated by S Nugroho, deputy attorney general for intelligence, on 2 April in Jakarta after the opening session of the Second Conference of the Dharma Wanita [federation of women's organization of 16 government departments] unit in the Office of the Attorney General. The conference lasted for 1 day. He was replying to reporters' questions about the status of a person who was formerly treasurer of the BAPERKI branch in Banda Aceh [Aceh Province] and now is deputy publisher of a daily newspaper in Medan, North Sumatra. Nugroho said: "If that person has an engineering degree and now wants to occupy himself as an architect, for example, there is no problem, and he may do so." J A [only initials given], alias Jong Koen Foe, at one time was also the secretary of an organization affiliated with the outlawed party. He has been deputy publisher of the newspaper S P [only initials given] in Medan for the past year. This Indonesian citizen of Chinese descent, who was born in Banda Aceh on 24 May 1939, now lives at Jalan Gajah Mada 95-97 in Medan. He no longer has a passport, because his previous passport was cancelled by the Immigration Directorate in Aceh on 11 September 1979. The reason for this action was that J A was known to be a former member of BAPERKI, having held membership number 180. [Text] [Jakarta HARIAN UMUM AB in Indonesian 4 Apr 84 pp 1, 2] 5170

CSO: 4213/208

PHOUMI VONGVICHIT ATTENDS PRK ACROBAT SHOW

BK120644 Vientiane KPL in English 0921 GMT 11 May 84

[Text] Vientiane, 11 May (OANA-KPL)--The visiting troupe of Kampuchean acrobats headed by Chey Sophea, deputy minister of propaganda, culture and information this morning gave their performance to thousands of workers of Vientiane town.

The artists received a long ovation for their daring and skillful performance.

Yesterday evening's performance was given to over a thousand of Vientiane public organisations--namely the youth, women and trade union organisations.

At the premier night performed on 9 May, among the officials present were Phoumi Vongvichit, member of the political bureau of the Lao People's Revolutionary Party, vice chairman of the Council of Ministers, Sali Vongkhamso, secretary of the Party CC, vice chairman of the Council of Ministers, and chairman of the State Planning Committee, Thongsing Thammavong, alternate member of the Party CC, minister of culture and a number of Council of Ministers members, high ranking officials.

Nguong Phansiphon, ambassador of the People's Republic of Kampuchea and diplomats of socialist countries and friendly countries also attended the performance.

Addressing the audiences before the show, Chey Sophea talked of the successes scored since the liberation of the country from the genocidal Pol-Pot clique and achievements in all fields by the people under the guidance of the People's Revolutionary Party of Kampuchea headed by Heng Samrin, the general secretary of the party.

Somsi Desasomphou, vice minister of culture of Laos in turn highly evaluated the achievements in culture development in Kampuchea in particular and said that this visit will strongly strengthen the ties between the two fraternal countries.

After the performance, Phoumi Vongvichit presented the artists with fresh bouquets of flowers.

The Kampuchean acrobats during their stay will also tour the southern province of Champassak and will perform nine times. The troupe has altogether 40 performers.

BRIEFS

JUSTICE DELEGATION TO VIETNAM--Vientiane, 25 Apr (KPL)--The ministerial delegation of justice led by its minister, Kou Souvannamethi, left here for the Socialist Republic of Vietnam on 23 April for a friendship visit. The Lao delegation is to documents on cooperation agreement on laws and magistration work. [sentence as received] Seeing the delegation off at the airport were [deputy] ministers of justice and other high ranking officials. Nguyen Xuan, the Vietnamese ambassador to Laos was also on hand. [Text] [BK281135 Vientiane KPL in English 0915 GMT 25 Apr 84]

GDR NEWS COOPERATION AGREEMENT--Vientiane, 25 Apr (OANA-KPL)--The Lao and the GDR Journalists Associations signed here on 23 April documents on the assistance of the GDR to the Lao Journalists Association [LJA] in training of cadres and in providing professional equipments, the LJA revealed yesterday. The minutes which was signed here acknowledged that the relations and cooperation between the two professional associations were satisfactorily improved and reaffirmed that the two sides will do their utmost to mutually assist each other on the spirit of friendship and solidarity. The GDR Journalists Association also pledged to provide aid and assistance to its Lao counterpart in the training of cadres and in providing some equipment to open a training course in Laos for radio, news agency and television journalists. Signing for the Lao side on this occasion was Chanthon Thiangthepvongsa, secretary of the LJA and for the GDR side was Joachim Telemann, executive member of the GDR Journalists Association. [Text] [BK281135 Vientiane KPL in English 0912 GMT 25 Apr 84]

PRK FINANCE DELEGATION ARRIVES--Vientiane, 14 May (KPL)--A Kampuchean delegation of the Ministry of Finance led by its minister Chan Phin, who is also secretary of the People's Revolutionary Party of Kampuchea CC, arrived here on 12 May for a 1-week visit to the Lao PDR. The delegation is to exchange lessons on the domains of finance with the Lao officials. Receiving the delegation at the airport were Gnao Phonvantha, alternate member of the party CC, minister of finance, and Nguon Phansiphon, the ambassador of Kampuchea to Laos. [Text] [BK131256 Vientiane KPL in English 0927 GMT 14 May 84]

SRV EDUCATION DELEGATION DEPARTS--Vientiane, 5 May (KPL)--The delegation of the Ministry of Education of Vietnam, led by its deputy-minister Ho Truc, left here on 3 May, after concluding a one-week visit to Laos. The delegation was seen off at the airport by the Lao deputy minister of education, O. Chounlamani. [Text] [BK051229 Vientiane KPL in English 0918 GMT 5 Apr 84]

PHOUMI VONGVICHIT RECEIVES EGYPTIAN ENVOY--Vientiane, 7 May (KPL)--P. Vongvichit, Political Bureau member of the party CC, vice-chairman of the Council of Ministers, on 6 May, received here the new ambassador of Egypt to Laos, 'Abd al-Fattah, Fu'ad Hammi. During the cordial meeting, the Lao vice-chairman congratulated the ambassador for having been accredited to Laos, and wished him success in accomplishing his diplomatic mission here so as to contribute to the development of relations between Laos and Egypt for the interests of the two peoples. [Text] [BK071420 Vientiane KPL in English 0905 GMT 7 May 84]

CUBAN DAIRY CATTLE--Vientiane, 5 May (OANA-KPL)--The first batch of milk cows, an aid from Cuba to Laos, yesterday arrived here. Cuba is to give Laos 130 milk cows including a number of bulls of Holstein breed. The cow can yield, on average, 15 litres of milk per day. For this project, the milk cow dairy station of Nabong, under the Ministry of Agriculture, Irrigation, and Agri-Cooperatives, has already planted fodders on 500 out of the total 600 hectares of pasture. Cuba has also provided Laos with a number of experts on the field. [Text] [BK071420 Vientiane KPL in English 0912 GMT 5 Apr 84]

EAST BLOC COOPERATION--Vientiane, 3 May (OANA-KPL)--A Lao delegation of the Committee for Economic, Scientific and Technical Cooperation led by Khamphet Penhmuang, first vice-chairman of the State Planning Committee, on 1 May, arrived here from the friendship visit to GDR, Bulgaria and Hungary. During its stay in these countries, the Lao delegation signed with its counterparts agreements on economic, scientific and technical cooperation for 1986-1990. Welcoming the delegation at the airport were Soulima Bounleut, vice chairman of the State Planning Committee and other officials Dieter Doering, Janos Zegnal, and Todor Tsvetanov Netsov, respectively ambassadors of GDR, Hungary and Bulgaria to Laos were also on hand. [Text] [BK071420 Vientiane KPL in English 0924 EMT 3 May 84]

HUNGARIAN GIFTS--Vientiane, 3 May (OANA-KPL)--The Asian-African People's Solidarity Organization of Hungary, yesterday, handed over 14,280 meters of fabric and 27 cartons of medical equipment to the Lao Trade and Health Ministries. Present at the hand-over ceremony were Singkao Sikhotchounlamani, president of the Lao Committee for World Peace, Solidarity and Friendship with World People, and M. Illes, the 2nd secretary of the Hungarian Embassy to Laos. [Text] [BK071420 Vientiane KPL in English 0914 GMT 5 Apr 84]

FRENCH AMBASSADOR--Vientiane, 5 May (KPL)--K. Sounisai, member of the party CC, chairman of the Administrative Committee of Vientiane Prefecture, yesterday received here the ambassador of France to Laos, Jean Noel de Bouillane de Lacoste. During the cordial meeting, K. Sounisai informed his guest on the efforts of Vientiane citizens in safeguarding and constructing the capital Vientiane. [Text] [BK071420 Vientiane KPL in English 0917 GMT 5 Apr 84]

CSO: 4200/751

MALAYSIA

COMMENTARY VIEWS DEVELOPMENTS IN ASEAN REGION

BK141151 Kuala Lumpur International Service in English 0800 GMT 14 May 84

[Unattributed commentary]

[Text] This week, like the last 2 weeks, will be marked by a flurry of diplomatic activity between the United States of America and several Asian countries.

Vice President Bush was in Jakarta for a brief stopover, but the opportunity was seized by the Indonesian head of state, President Suharto, to express the concern felt in some quarters both within ASEAN and outside this over the current American interest in strengthening closer ties with the PRC. But there is very good reason for ASEAN to be somewhat cooler toward China than the U.S.A.: It is the refusal to withdraw support for the illegal communist parties in the ASEAN region that is the sore point in relations between China and ASEAN.

This point was highlighted once more during the weeklong ASEAN gathering in Jakarta, firstly, of foreign ministers, and then of the economic ministers. The state secretary of Indonesia, Mr Sudharmono, went on record that Indonesia feels that whatever support the Americans give to China should not be at the cost of ASEAN interests. The U.S.A. is bent on using China as a counterweight to the Soviet presence in Asia. During the weekend, there were reports of a Chinese military move in Spratley Islands region. That was designed to act as a response to Soviet military presence in Vietnam and the South China Sea.

Meanwhile, a very positive outcome of the ASEAN economic ministers meeting was the decision to step up the tempo of trade and other contexts among the six ASEAN partners. It has been felt for some years now that, while presenting a united front on Indochina and the Kampuchean question, ASEAN should also look ahead to the time when great economic viability could be the very backdrop of ASEAN stability. In this connection, it is encouraging to note that, apart from a major decision to review tariff barriers on more items, there is some promise of bilateral trade accords that will be conducive to greater viability for ASEAN.

Malaysia and Indonesia will be holding talks at trade ministerial level in August on this matter. Broadly, both nations are desirous of expanding the

volume of trade between them. The existing trade pact was signed in 1967 and for some time it has been felt that a revision is long overdue.

Indonesia very recently liberalized the entry of books in Bahasa Malaysia [Malaysian language]. Another item of cultural importance is, of course, the feature films. The new agreement, it is expected, will embody a long-cherished objective of many Malaysians, namely, that Malaysian films should be distributed in Indonesia.

For the first time in 3 or 4 years, the ASEAN gathering was not dominated by Kampuchea to the exclusion of other matters. We are also lucky to see a new convention and that the nations that have dialogue status with ASEAN may in future meet their ASEAN opposite numbers in a group and not individually. These are all significant events that provide ample proof that ASEAN continues to be dynamic and adaptive.

CSO: 4200/753

MALAYSIA

BRIEFS

JAPAN RUBBER IMPORT INCREASES--The primary industries minister, Datuk Paul Leong, disclosed that Japan's rubber import from Malaysia increased in 1983 to 16,100 tons from 52,300 tons in 1982. He said that the market share for Malaysian rubber in Japan has increased from 12.7 percent in 1982 to 23.5 percent in 1983. [Summary] [BK040121 Kuala Lumpur Domestic Service in English 1130 GMT 30 Apr 84]

COMMUNIST RESURGENCE WARNING--The acting deputy inspector general of police, Datuk Abdul Rahman Haji Ismail says communist terrorists are reactivating their subversive activities with the aim of taking over political power by force. Communist terrorists have also announced their united front policy to continue their struggle against the government. He was speaking at a parade by 695 constables who have completed their preconfirmation course at the police training center in Kuala Lumpur today. Datuk Abul Rahman said the front is depending on the support of the people in opposing the government. As such, the police should be constantly vigilant against being trapped and influenced by propaganda carried out by communist terrorists. [Text] [BK120856 Kuala Lumpur International Service in English 0600 GMT 12 May 84]

FOREIGN MINISTER VISIT--Kuala Lumpur, 15 May (AFP)--Malaysian Foreign Minister Tan Sri Ghazali Shafie will visit China and Mongolia later this month, informed sources said today. The China visit will coincide with the 10th anniversary on 31 May of the establishment of the Malaysian-Chinese diplomatic relations, and follows an invitation from his Chinese counterpart, Wu Quexian, when he was here two months ago. The sources said that the Malaysian minister would go on to Ulaanbaatar from Beijing. Relations between Malaysia and China are formal and correct, but major restraints to closer ties following Beijing's reluctance to withdraw fully its support to the underground Malayan Communist Party and to allow Malaysian traders to deal directly, rather than through intermediaries in Singapore and Hong Kong. Included in the delegation are officials of PERNAS, the state trading corporation that handles the trade with China. The Mongolian trip is to return a visit to Kuala Lumpur last week by the Mongolian Deputy Foreign Minister T. S. Gombosuren. [Text] [BK151650 Hong Kong AFP in English 1633 GMT 15 May 84]

CSO: 4200/753

PHILIPPINES

AQUINO BROTHER FAVORS CPP RECOGNITION

Cebu City VISAYAN HERALD in English 2 May 84 pp 1, 9

[Article by Ernie Arcenas]

[Text] Butz Aquino, younger brother of assassinated opposition leader Ninoy Aquino and head of the boycott movement of the Batasan election in May, last night said he favors the legalization of the Communist Party of the Philippines.

In an interview with newsmen, Butz Aquino said President Marcos has branded almost everybody in the Philippines as communists including even respected nationalist leaders like Jose W. Diokno, Lorenzo Tanada and the foreign media.

"The real communists are those staying in the hills. Legalizing the Communist Party of the Philippines would allow them to participate in the affairs of the state and present themselves in the free market of ideas. We don't even know what their ideology or program of government as they are in hiding," Butz said.

During the impromptu press conference held at the coffee shop of Rajah Hotel in uptown Cebu City, Butz revealed that President Marcos is presently in search of causes to start a crackdown on protestors of his dictatorial government. He said the boycotters of the Batasan elections are the real oppositionists. "There can be no true elections under a dictatorship anywhere else in the world." "Marcos is a dictator because he wields executive and legislative powers and he holds the neck of the judiciary," Butz said.

According to the emerging opposition leader, the Batasan elections is meaningless and a waste of people's money. It will continue to be a rubber stamp, a second fiddle and inutile with Marcos empowered to create or enact laws.

He called the Americans the enemies of the Filipinos for its continued support of Marcos and the deliberate suppression of the country in a state of under-development as supplier of cheap labor and raw materials and repression of the people's freedom through Marcos.

The presence of American bases in the Philippines is useless as it is not in the interest of the Filipinos but the interest of the Americans. The American

government wants to give legitimacy to the American public by supporting Marcos in the elections so that policies do not change. Butz was referring to the interventionary policy of the U.S. which he said the Americans want to preserve.

Butz revealed that the members of the protest movement in Metro Manila now swelled to about half-a-million with the capability of toppling down President Marcos in Malacanang in 18 months. He said the different protest organizations after the boycott protest may soon embark on more protest actions one of which will be held on Friday against the Japanese Embassy in Metro Manila.

He said the massive sit-down protest in Metro Manila to paralyze the metropolis may come in later. "It is just waiting for the proper time," he added.

He urged his thousands of followers to continue their conscientization program to include the immediate members of their families, their neighbors and friends, organize them into groups and affiliating them with an umbrella organization such as the CORD, ATOM or JAJA.

"To be free starts with the removal of the shackles of fear in everyone of us. When we can finally say no to Marcos to whatever he wants to do then that is the time when we as a people can restore real democracy in this country," Butz Aquino said.

CSO: 4200/744

VERITAS COLUMNIST ON MARCOS' 'TOLERANCE' OF PRESS FREEDOM

Quezon City VERITAS in English 6-12 May 84 p 4

[Commentary by Salvador P. Lopez in the "In the Light of Truth" column:
"Mightier Than the Sword"]

[Text]

In HIS latest tirade against the foreign media, President Marcos lashes angrily at the latter "for serving as the tools and lackeys of the communists and the opposition in the country" and for "trying in the last dozen years to destabilize me and the government that I lead." They have failed, and their failure "has angered and frustrated them to the point where they can no longer write and report about the Philippines with integrity and impartiality."

And so, in their anger and frustration, the foreign media are enjoined by Mr. Marcos to return "to the basic principles of honorable journalism—honesty, fair play, and objectivity."

There is just the right touch of irony in that last statement to make it the most entertaining portion of Marcos lecture on freedom of the press. Mr. Marcos is not necessarily disqualified by his own practice from giving such a lecture. He is at least as well qualified to do that as President Suharto, Prime Minister Lee Kwan Yew or President Konstantin Chernenko.

Yet it would be hazardous to conclude from this that Mr. Marcos has suddenly become a redoubtable champion of press freedom. Far from it. If we understand him correctly, all that he is trying to say is that the foreign journalists should live up to the principles of press freedom which they profess. Mr. Marcos does not believe in press freedom himself, but since the foreign journalists keep insisting that they do, they have a duty to abide by them. That's all.

At this point an obvious question arises: Why is it necessary to assume that Mr. Marcos has not become a convert to freedom of the press? After all, the Philippine press has become much more free than at any time since 1972.

True enough. Not by his free choice, however,

but only under duress—the pressure of world opinion, to be more precise. Because, if Mr. Marcos had his way, he would not have permitted the relaxation of the tight press controls that he had imposed for nine years until January 1981 when he made such a show of "lifting" martial law. And, of course, the process of relaxation became unstoppable after the Aquino assassination in August 1983. Cannily, Mr. Marcos realized that he had to yield a point or two in favor of press freedom—without, however, putting his power and his authoritarian regime at risk.

Cannily is the operative word here, because nothing in the gradual process of opening up the Philippine information system can be justly attributed to Mr. Marcos' concern for the "principles of honorable journalism." He realized that he could not continue having journalists critical of his regime fired from their jobs by consenting publishers, or summoned for questioning by the military, or sent to jail, or—in the case of foreign correspondents—expelled from the country. All these standard procedures have been tried on orders of Mr. Marcos, and the net effect has been, on balance, negative.

And so, cunningly, he has decided to use other means. For the moment—and only for the moment—he has decided to use the tactic of "maximum tolerance." In accordance with this policy, the *overt* use of direct methods of repression has been avoided. The law requiring the prior licensing of newspapers was allowed to slumber in the books, and the questioning, arrest or expulsion of journalists has been momentarily suspended.

But lest anybody get any wrong ideas, all this has happened in accordance with a deliberate policy described by Mr. Marcos himself as a policy of "maximum tolerance." He is allowing everybody

to have his fling, a bit like the old days, to enjoy a holiday after the long arid years of repression and oppression, after 1972.

So, let nobody mistake the existing policy of relaxed restrictions on the press as a new birth of freedom in the land. It is nothing of the sort. We owe it solely to Mr. Marcos' benevolent show of patience, forbearance and tolerance—not to anything as esoteric as the restoration of civil liberties and fundamental human rights. It is nothing but a posture which Mr. Marcos is obliged to adopt as a tactical gambit in confronting a hostile public opinion, national and international.

When the need to mollify such hostile opinion no longer exists because Mr. Marcos feels he can ignore it without serious risk to his regime, or because he has to combat it in order to survive, then, let everyone beware. Mr. Marcos will not be held back by any considerations of good will or public image. The eagle will swoop down with its open talons. The tiger will bare its fangs.

* * *

There are barely two weeks to go before the elections, and a macabre guessing game is going on. Will he? Won't he?

Mr. Marcos' recent outburst against the foreign press is one negative sign. He's losing his patience, and it's showing. How else would you explain the rather ironic situation in which, in order to castigate the foreign press, he has to put on an act of being a champion of press freedom?

And note that he is directing his lecture exclusively at the foreign press. "Never mind the domestic press," he seems to be saying. "That is in my pocket." And of course, it is.

* * *

"The pen is mightier than the sword."

One must doubt whether President Marcos believes that. He would rather depend on an army led by Gen. Fabian Ver.

If there is anything mightier than the sword, it would surely be Truth. Therefore, we would commend to him this famous sentence from Milton's *Areopagitica*:

"Though all the winds of doctrine were let loose to play upon the earth, so Truth be in the field, we do injuriously by licensing and prohibiting to misdoubt her strength. Let her and Falsehood grapple; whoever knew Truth put to the worse, in a free and open encounter."

CSO: 4200/744

MILITARY CIVIC PROGRAMS REVIEWED

Manila PHILIPPINES SUNDAY EXPRESS WEEKEND in English 22 Apr 84 pp 23-25

[Article by Nonnie L. Pelayo: "From Guns To Love: The Philippine Army's New Battle Cry"]

[Text]

FROM GUNS to love." This is the new battlecry of the Philippine Army in its campaign against insurgency in the countryside.

Launched about a year ago, the PA "Love Operations" have gone to the rural areas to provide people with services which are not available in their localities or which they cannot afford.

Maj. Gen. Josephus Q. Ramas, Army Commander, said troops under his command have been providing medical care, constructing roads and bridges, giving educational instruction, supporting livelihood projects, implementing other civic action projects and training out-of-school youth for better citizenship.

In addition to their guns, Ramas said, Army troops are now "armed" with the instruments of love like books, stethoscopes, hammers, plows, plumbing and electric tools in an effort to uplift the social and economic conditions of people in the rural areas.

"This is all in line with the First Lady's drive of making the government and its instrumentalities a partner of the people in nation building," Ramas

explained.

Because of the Army's "Love Operations", Ramas said, the military has established better rapport with the civilian population and overcome the initial difficulty of gaining the support of the rural folks.

In addition, Ramas said, the Army has developed an "atmosphere very conducive and fertile for strong and positive interaction with the civilian sector."

Thus, dialogues can be set as often as possible and free exchanges of opinions can be generated, in the process facilitating an open and two-way flow of communication.

"People in the rural areas are now willing to talk to us about their problems and needs and the Army tries to help them as much as possible," Ramas noted.

The Army, Ramas added, can only be effective if it has the confidence of the people in the rural areas. "We are the fish and the civilian populace is the water. How can fish live without water?" he added.

In coordination with the Ministry of Education and Culture, the Army is engaged in a literacy program, dubbed as ALPS. The program offers to its students, both

young and adult, instructions in writing, reading and arithmetic.

ALPS makes use of troops who underwent special training on adult education.

Army doctors and dentists provide basic health care free of charge in their places of assignment under the continuous civic action program of the command.

The Army also participates in beautification and cleanliness drives in localities where it maintains installations.

The Army's participation in the national livelihood program — Kilusang Kabuhayan at Kaunlaran — has resulted in seven major prototype projects, namely:

1. *Agro-Forestry* (Primary projects for mountainsides and uplands)

Projects include tree farms for ipil-ipil energy, mango, calamansi, rambutan, chico, banana, guava, jackfruit, tamarind, guyabano, cashew, lanzones, durian and mountainside development.

2. *Agro-Livestock* (Primary projects for uplands and lowlands)

Projects include crops (sweet potato, cassava, legume and vegetable production) and livestock (piggery breeding and fattening), poultry (hatching and raising), cattle (fattening/breeding) and goat (raising).

3. *Aqua-Marine* (Primary projects for coastal and marshlands)

Projects include communal fish hatcheries, mini-sea farm, isolated land fishing village, oyster culture, seaweed farming, fisheries support enterprise, mussel culture, fish net making/weaving, boat making, salt making, fish gear manufacturing and tilapia, hito, dalag culture.

4. *Waste Utilization* (secondary projects for mountainsides, uplands, lowlands and coastal/marshlands)

Projects include ipil-ipil leaf meal cubing, charcoal briquetting, vermi-culture (earthworm) and bio-gas.

5. *Cottage and light industries* (Secondary projects for mountainsides, uplands, lowlands and coastal/marshlands).

Projects include leathercraft, rattancraft and bamboo furnitures, manufacturing, fish processing, T-shirt manufacturing and uniform sewing.

6. *Shelter and shelter components* (Secondary projects for mountainsides, uplands, lowlands and coastal/marshlands)

Projects include concrete hollow block making, undertaken by 515th Engr. Forestry Bn; clay brick production by 7th Regional Home Defense Unit, ARESCOM.

7. *Services* (Tertiary projects for mountainsides, uplands, lowlands and coastal/marshlands)

Cooperatives and KADIWA Center and KKK trainings are being undertaken in the various units to develop skills, acquire technology and sustain the livelihood movement.

The Army has 68 projects for accreditation with the Armed Forces of the Philippines KKK Secretariat.

Beneficiaries of the Army KKK projects include landless farmers, subsistence fishermen, urban slum dwellers, cultural minorities, out-of-school youth and disabled persons, Ramas said.

N ADDITION to the KKK projects, civic action operations and the literacy program, the Army is also actively involved in the implementation of infrastructure projects in various areas in the country.

Two engineering brigades composed of 13 engineer construction battalions are deployed all over the country to build roads and bridges as well as other vital infrastructures to help improve the economic condition of the population in the rural areas.

For the last nine years and eight

months, the 52nd Engineer Brigade completed several projects in its area of operation. To name a few, the 219 kms. road construction worth P30.783M, the 1,012 kms. electric distribution lines worth P30.134M and irrigation projects worth P4.665M.

On the other hand, the 51st Engineer Brigade accomplished civic work projects such as the 7.78 kms road, 18 feeder road in Camarines Sur, Bicol which is amounting to P4,910,248.00, and the construction of Bauang water supply system in Bauang, La Union costing P2,959,226.66. On-going road projects, to mention some, are 13 kms Barley-Natonin-Paracelis

road in Mountain Province, 21 kms Cagelco II Phase IV A1-2 (13.2 KV power distribution line) Dummon-Junction to Barangay Capisayan, Gattaran, Cagayan, the Sacobia resettlement road project in Sacobia, Bamban, Tarlac, the water work supply system in Puerto Princesa City, Palawan, and Lapinig (Sitio Alang-Alang) Jipapad road in Northern Samar.

The Command partakes also in the government's Kilusang Sariling Sikap program. All military and civilian personnel are exhorted to bring into fruition the ideals and noble objectives of the program — to build a healthy and self-reliant Filipino citizenry.'

All PA major units down to the smallest ones in the different camps, posts and stations are guided accordingly to promote and actualize self-reliant home movement. Likewise, personnel not having sufficient areas in their homelots are allotted adequate space of not less than one hectare in selected sites, like Fort Bonifacio and Camp Capinpin.

Significantly, the Command since the launching of the program has planted 11,200 ipil-ipil trees; 3,800 fruit-bearing trees; and about 7,000 non-fruit bearing. Currently, it conducts dialogues with enlisted personnel and civilian employees regarding the mechanics and concepts of the Kasipagan House as well as orienting barangay officials of its programs and activities in line with the movement.

Commuters passing South Superhighway are taking note of three newly-constructed Kasipagan model houses situated on the 26-hectare military reservations area at Fort Bonifacio, known as the PA KKK-FTI Farm. The site was pinpointed by no less than Madame Imelda R. Marcos in one of her visits to the Command to serve as the showcase of the military's response in the said government program. More so the Philippine Army had adopted the theme "Kasaganaan sa Sariling Sikap" in its 87th foundation anniversary celebration. One of the highlights of the said affair is the turning over of the initial capital investment given by the First Lady to the Command last year.

Out of the said 26-hectares of the PA KKK-FTI Farm, about 15 hectares are already cultivated and planted with green and leafy vegetables, rootcrops, fruit trees and ipil-ipil trees and forthcoming are the agro-livestock and bio-gas projects. The farm products will be distributed and sold at the KADIWA outlets operated by the Food and Terminal Inc.

The Army, Ramas said, is not only an instrument of war but more of peace and will continue its "Love Operations" until the countryside has become progressive and prosperous. Insurgency, Ramas said, cannot thrive when the people are contented, happy and prosperous.

REPORTS ROUND-UP NPA ATTACKS, 36 KILLED

Manila BULLETIN TODAY in English 5 May 84 pp 1, 6

[Text]

An upsurge of violence, including a massacre at a barangay fiesta dance, was reported yesterday in Zamboanga del Sur and Negros Occidental, resulting in the killing of 36 persons and serious injuries to 39 others.

The attackers, believed to be members of the New People's Army (NPA), raided a fiesta celebration in barangay Calilagan, San Pablo town, and ambushed a dump truck in Tungawayan town, both in Zamboanga del Sur; and killed 13 persons in another ambush in Candoni and a shooting incident in Cauayan, Negros Occidental.

PAGADIAN CITY —
At least 15 persons, including a Civilian Home Defense Force (CHDF) man, were massacred and 25 others were wounded, 10 of them seriously, when a group of 10 heavily armed men, suspected to be New People's Army rebels,

attacked a dance in barangay Calilagan, San Pablo, Zamboanga del Sur, Thursday night.

Col. Romeo Abendan, PC-INP provincial commander, said 11 of the victims died on the spot, while four others were dead on arrival at the Zamboanga del Sur Hospital in this city.

Colonel Abendan identified 11 of the fatalities as Nathaniel Enricoso, 28, Felipe Acain, 27, Romy Borja, 17, Manuel Malinao, 35, Remigio Sapsap, 27, Felix Roxas, 19, Jing-Jing Tagalucon, 16, Zenaida Sapsap, 22, Inday Desilote, 18, Jok-jok Roxas, 17, and Eduardo Parapil, 18.

Some of the wounded were listed as Ricardo Daganan, 20, Elvira Elle, 19, Lorena Tapay, 30, Gudila Pinoza, 37, Romeo Talip, 17, Leddy Polpol, 15, Juanito Aballe, 30, Rosita Gonzales, 19, Cesar Hitos, 29, Leon Rama, 43, and Eduardo Ycable, 35.

Abendan said that the attack came while the fiesta beauties

were being crowned to climax the evening affair. The raiders emerged from the dark and surrounded the place.

They first gunned down CHDF member Enricoso, then fired at the crowd.

After the 16-minute carnage, the attackers escaped in a nearby forest.

Hundreds of empty shells of Armalite, Garand, and carbine rifles were found by government troopers led by Capt. Alvarez Yusop at the scene of the massacre.

The mass killing, considered the most merciless yet committed on innocent civilians, was believed caused by the refusal by the local barangay residents to give assistance to the NPA. (Tony Pe. Rimando)

ZAMBOANGA CITY—Eight persons were killed, three of them officials of the Ministry of Public Works and Highways Region IX office, and four others were wounded when the dump truck they were riding was ambushed at 7 a.m. yesterday by 30 armed men in Barangay Lingatungan, Tungawan town, Zamboanga del Sur.

The bodies of the victims were brought to the Villa Funeral homes here yesterday noon.

Four of the fatalities were identified as engineer Ibno Hashim, assistant project engineer of the MPWH project in Tungawan; Rodolfo

Lacaste Santos, field supervisor, Cesar Bailon, campsite project engineer in Tungawan, and Nonoy Briones, driver of the dump truck owned by Zambosman, a private construction firm involved in the project.

Two of the wounded, who were brought to the Brent Hospital here, were identified as Basilio Napol Reyes and Peter Salian, both mechanics. The two other wounded victims were brought to another hospital

The PC said the dump truck, which came from Zamboanga City, was on its way to the Tungawan road project, 100 kilometers from here. (Vic Arevalo)

ILOILO CITY (PNA)—Thirteen persons, including seven lawmen, were killed and 10 civilians were wounded in an ambush Sunday in Candoni and a shooting incident Wednesday morning in Cauayan, Negros Occidental, the regional unified command (RUC) based here reported yesterday.

Killed in the ambush at sitio Sacasongan, Barangay Gatudao in Candoni were Corporal Ireneo Ganuyao, Pfc. Rogelio Pajaron, Pvt. Hector Borbon, Pfc. Elpidio Armada, and draftee Gregnon Guevara, all of the 7th Infantry Brigade.

Guevara died hours later at the provincial hospital in Bacolod City where he was airlifted for treatment.

Killed in a shooting incident at Barangay Guiljungan, Cauayan, at about 6:30 Wednesday morning were Patrolmen Glicerio Malvas and CHDF member Johnny Tuquero, who were both drinking coffee at the time.

CSO: 4200/746

PHILIPPINES

PRE-ELECTION PESO BLACKMARKET RATE 21-\$1

Manila PHILIPPINES DAILY EXPRESS in English 5 May 84 p 8

[Article by George T. Nervez]

[Text]

INCREASED speculation on the peso pushed the blackmarket rate for the US dollar to almost P21 to \$1 yesterday despite the intensified government campaign against illegal foreign exchange traders.

Industry sources said the dollar blackmarket rate which has been hovering at P19 to \$1 last week, moved up to almost P21 to \$1 because of the worsening foreign exchange crisis.

Banking industry sources also said that in San Francisco and Honolulu, large American banks have been exchanging pesos at the rate of P25 to \$1.

MEANWHILE, government sources said a certain Jimmy Chua, allegedly the biggest dollar blackmarket operator in the country, was finally arrested by military authorities last April 27.

Chua reportedly heads a syndicate responsible for the increase in the dollar blackmarket rates from P16 to \$1 to P20 to \$1, the sources said.

The group, backed by a wealthy Filipino-Chinese banker, controls about 70 percent of the dollar blackmarket in the country, they

added.

The sources said Chua's group was likewise behind the \$470,000 smuggle attempt that authorities intercepted at the Manila International Airport last March 19.

THE syndicate, the sources said, has also used chartered planes of private corporations in salting over \$50 million in Hongkong, the United States and Switzerland in the past few months.

Operations of the dollar blackmarket syndicate has mainly been concentrated in providing foreign exchange in the form of telegraphic transfers and bank drafts to local companies that bring in their raw materials under the CB sanctioned prepayment scheme.

The increase in the dollar blackmarket rates in the past few days was largely because of the drying up of foreign exchange from banks and from the Central Bank, industry sources said.

CB officials pointed out that the country will need over \$400 million within the month to pay for maturing interest on foreign loans and imported oil.

CSO: 4200/746

PHILIPPINES

U.S. EXPORT-IMPORT BANK LOANS \$100 MILLION

Manila PHILIPPINES DAILY EXPRESS in English 5 May 84 p 8

[Article by Ray Magallanes]

[Text]

THE US Export-Import Bank (Eximbank) has approved a \$100-million standby credit facility for importers of raw materials and spare parts intended for industrial use, via the Philippine International Trading Corp. (PITC).

Another revolving credit of about \$50.8 million was also approved by Australia's Export Finance and Insurance Corp. (EFIC) to finance importation of goods and raw materials from Australia, such as dairy products, coal, iron and steel products.

The \$100-million loan is a part from the \$39 million loan that the US Eximbank had earlier extended to the Philippines through the PITC to finance importation of raw materials, industrial commodities, spare parts and other products from the US.

The first Eximbank loan is almost fully allocated, according to the PITC.

The PITC arranged the credit facilities to help manufacturers import their raw material

requirements in the wake of the tightness in the availability of foreign exchange, PITC president Jaime Gonzales said.

PITC has also closed a \$40-million loan through the US Eximbank for Philippine Airlines (PAL), which the country's official flag carrier will use as additional operating fund and for the purchase of spare parts.

The PITC-arranged loans are different from the dollar allocations available from the foreign exchange pool of the Central Bank (CB).

Gonzales said he will explain the mechanics of the import financing scheme and other requirements on how to avail themselves of the credit facilities with importers in a dialogue on Monday.

Representatives of participating financing institutions such as the CB, the Philippine National Bank (PNB), the International Corporate Bank (Interbank), Crocker National Bank, First National Bank of Chicago and the Westpac Banking Corp. will be on hand to answer queries.

CSO: 4200/746

SUGAR EXPORT EARNINGS IN JEOPARDY

Manila BULLETIN TODAY in English 23 Apr 84 p 22

[Text]

The local sugar industry will no longer be assured of a relatively large export earnings from half of its sugar export volume starting 1985 if the government fails to renegotiate for a new set of long-term export contracts at higher than the free market prices.

The government's long-term contracts, wherein 50 per cent of the total exportable sugar is sold at an average price of 23.5 cents a pound and the other half for speculation, will expire by December this year.

In its recent study, the Private Development Corp. of the Philippines (PDCP) said that improvements in the country's foreign exchange receipts would greatly hinge on the government's renegotiation for a new and favorable long-term supply contracts coupled with price improvement in the world market.

On the whole, however, much depend on the mutual cooperation of both the government and the private sector in increasing

sugar productivity and manufacturing high value-added items from sugar and by-products to revive the sugar industry's capacity to earn foreign exchange.

"The adoption of these positive measures would prove most helpful in augmenting the income of sugar farmers and millers alike who have suffered severe dislocation in recent years following the general downtrend in world sugar prices and severe problems brought about by economic difficulties in the country," the PDCP said.

Sugar continues to be one of the most important commodities traded internationally. The local sugar industry has been a pillar of strength supporting the economy.

For the past six years, centrifugal sugar exports reached an average annual value of \$391 million, representing eight per cent of the average annual export receipts of the country for the period 1978-1983.

Moreover, half a million workers are direct-

ly employed in sugar plantations and the mills provide livelihood for over three million dependents.

The country's total sugarcane areas cover 413,814 hectares spread over 18 provinces owned or operated by some 30,620 sugarcane planters. There are about 33,215 sugarcane farms, varying in size from less than a hectare to over 100 hectares, with an average farm size estimated at about 12.5 hectares.

PDCP statistics showed that Philippine sugar exports have been particularly influenced by sugar price movements in the

world sugar market as well as the government's response to these changes.

In 1980, for instance, Philippine sugar exports registered a record sugar shipment of 1.7 million metric tons worth \$628.5 million when sugar price was also at a high of 28.9 cents a pound.

It was at this time that the government likewise began the implementation of its long-term supply contracts scheme where 50 per cent of the country's total sugar exports were committed to selected markets at an average price of 23.5 cents a pound until 1984.

CSO: 4200/746

PHILIPPINES

132 CEBU FIRMS CLOSE UNDER ECONOMIC DIFFICULTIES

Manila BULLETIN TODAY in English 22 Apr 84 p 32

[Text]

CEBU CITY —
Some 132 business establishments ceased operations in the city last year.

Sources close to the Office of the City Treasurer said most of these firms closed shop

during the second half of last year after the assassination of former Sen. Benigno Aquino Jr.

The main reason for the closure, according to informants at city hall, was the difficulty

of these firms in raising additional capital or securing bank loans.

Some business analysts here said that the closed firms may have been affected by "bad business" during the lean months shortly before December, 1983 arising from the devaluation of the peso and credit restrictions.

Other business source said bad business in 1983 was compounded by such problems as rising fuel costs, increased wages and power rates hike.

Those which have ceased business operations include wholesalers and retailers of fermented liquor, those engaged in general merchandising, import and export, milling, printing, boarding and lodging houses, beauty parlors, bake shops, restaurants, repair shops, rice and corn re-

tailers, sari-sari stores, services, ship brokerage, tailoring shops, truck hauling, manufacturing and refreshment parlors.

An inspection team was said to be going around the city to check whether or not the retired businesses have really closed shop. It was further disclosed that some of the aforementioned businesses might be still doing business under a new name.

This is the modus operandi of some businesses out to circumvent the tax laws, it was said. A new business has only to pay a business permit based on capital while old establishments have to pay under a graduated fixed tax or gross sales tax which would be higher than putting up a new business, it was added. (Hilario D. Embrado)

CSO: 4200/746

PHILIPPINES

OFFICIAL DENIES HARASSING LOCALS UNDER DEVELOPMENT PROJECT

Cebu City VISAYAN HERALD in English 19 Apr 84 p 2

[Text] Reynaldo Estanislao Crystal, regional director of the National Economic and Development Authority (NEDA) and chairman of the Inter-Agency Committee, recently denounced reports of alleged harassment of residents in the Lusaran Dam catchment area. This was during a meeting with local government leaders at the NEDA Conference Room recently.

Crystal emphasized that nobody is being forced out of the catchment area. He stated that, today, residents in these areas are even being taught effective and approved agro-forestry methods to uplift their standards of living.

In a slide review presented by the IAC Project staff which is spearheading these activities, it was shown that extensive programs for reforestation and forest protection are being implemented. Countless community forums and information campaigns were already carried out to impart to the residents new farming techniques and to promote soil conservation in the area.

Re;atove tp tje resettlement preparations undertaken by the IAC, the Manggabon area has already been identified as a pilot resettlement and for those who will be affected by the construction of the dam. In the meantime, these residents are provided with effective agricultural knowhow by the IAC staffers. Likewise, IAC personnel have also initiated boundary and socio-economic baseline surveys in the catchment area.

It will be recalled that the Inter-Agency Committee was created under Administrative Order 401 dated March 11, 1977 to assist in the planning and implementation of a resettlement program in connection to the construction of the Lusaran Dam which is expected to supply Metro Cebu's water needs ever after 2,000.

The committee is represented by the following agencies: NEDA, the Ministry of Local Governments, the Bureau of Lands, the Ministry of Public Works and Highways, the Bureau of Forest Development, the National Housing Authority and the Metro Cebu Water District.

Presently, funding for the Lusaran Dam project is uncertain as costs for such project have risen to around P7 billion. More extensive discussions on the project between IAC and government leaders are expected that a plausible solution to the problem can be reached.

PHILIPPINES

FEB ATTACKS MOVES OF 'BUSINESS VULTURES'

HK120145 Manila Far East Broadcasting Company in English 2330 GMT 11 May 84

[Station Commentary]

[Text] There have been clamors in the past for the lifting of price controls, and the government has studied the move. However, latest developments prove that price controls has to be maintained if the public welfare is to be safeguarded against abnormal economic situations brought about by business vultures.

Reports of hoarding of prime commodities have angered President Marcos, who immediately ordered the authorities to launch search-and-confiscate operations against hoarders and profiteers. The president even said the most severe punishment allowed by the law will be meted out to them. He ordered the use of the military in the crackdown if necessary.

Reports said that unscrupulous traders are circulating rumors that prices will be raised after the elections, apparently to cause another panic buying.

This only proves that business vultures are always ready to speculate and create the atmosphere which will suit their evil designs against the hapless consumers. These businessmen, obsessed with profit at whatever cost to the people, have to be stamped out. Election or no election, the government must maintain the pressure on unscrupulous traders.

Lest we forget, communists and other subversive elements are quick to take advantage of any situation, and economic instability is one of them. So the campaign ordered by the president must be carried out with full vigor and determination.

CSO: 4200/748

PHILIPPINES

MARCOS CANCELS 29 APR CEBU VISIT; SECURITY CITED

Cebu City VISAYAN HERALD in English 28 Apr 84 pp 1, 4

[Article by Mike Ynclino]

[Text] President Ferdinand Marcos yesterday cancelled his visit to Cebu City for security reasons. This was learned by Visayan Herald from sources who said that a group of start who would have arrived yesterday from Manila to attend the KBL proclamation rally in Cebu City have likewise cancelled their trip after learning that the President had decided to forego with the visit.

The President would have proclaimed all the KBL candidates for Cebu City and the province Sunday morning at a mammoth rally organized by the administration in Cebu City.

The same source said that military intelligence had allegedly advised the President to forego with the visit for "security reasons." It was not known what this actually meant but observers opine that possibly military intelligence may have uncovered a plot to harm the President and his party once they are in Cebu.

Military sources however declined to comment on the security threat used to justify the cancellation of the Presidential visit to Cebu.

CSO: 4200/744

PHILIPPINES

BRIEFS

INCREASE IN RICE STOCKS--The country has enough rice supplies. The Bureau of Agriculture Economics yesterday reported that the current rice supply is 1.307 million metric tons. This is more than enough to meet the buffer stock requirement of 1.278 million metric tons. According to the bureau, 900,000 metric tons of rice stocks are with the farmers, the rest are in government and private warehouses. The bureau said the country's rice stocks increased due to the bountiful harvest in Mindoro, Western Visayas and Mindanao which made up for the losses due to the drought last year. [Text] [HK100817 Manila Far East Broadcasting Company in English 2330 GMT 9 May 84]

PRICE COUNCIL WARNS HOARDERS--The Price Stabilization Council yesterday [9 May] warned price manipulators to stop hoarding and ordered a more vigorous campaign against over-pricers. The warning was issued by Trade and Industry Minister Roberto Ongpin who is also chairman of the Price Stabilization Council. Ongpin's move followed reports that construction materials such as cement and galvanized iron sheets are becoming scarce. Ongpin said the apparent shortage is artificial and is brought on by hoarders in anticipation of price increases. Ongpin noted that the rainy season has started and this has dampened the demand for construction material. He warned that hoarding and price manipulating are punishable by imprisonment and fines. [Text] [HK100921 Manila Far East Broadcasting Company in English 2330 GMT 9 May 84]

MARCOS WARNS HOARDERS--President Marcos warned yesterday that the government would mete out the severest punishment under the law to anyone caught hoarding prime commodities. At the same time the president directed Trade and Industry Minister Roberto Ongpin and Justice Minister Ricardo Puno to map out a more extensive campaign to flush out commodities which have suddenly become scarce or whose prices have shot up. The president also directed Minister Jesus Tanchanco, the head of the National Food Authority, to make sure that Kadiwa [government subsidized food outlets] stores are well stocked with food items like milk and other canned goods to prevent their prices from shooting up beyond the reach of the consuming public, especially the poor. The president said if it should be necessary he would use the military to help in flushing out the hoarders. He was reacting to reports that basic food items such as powdered milk and other canned goods have been disappearing from store shelves and that prices of rice, cooking oil, and cement have gone up beyond reasonable limits. The president was irked by reports that prices of certain prime commodities have suddenly gone up or have become scarce when there was enough supplies of all these items. [Text] [HK110900 Manila Far East Broadcasting Company in English 2330 GMT 10 May 84]

GRAIN CEILING, SUPPORT PRICES--The government may scrap the ceiling and support prices for rice and corn late this year to regulate [as heard] the grain industry. Government sources said the recent order allowing private exportation of rice was the first move in the deregulation of the cereal industry. The move was also aimed to comply with the World Bank requirement on the loosening of government control on the prices of cereal. The World Bank requirement was reported to be a condition set for the approval of a \$300 million structural adjustment loan for agriculture. Meanwhile Food Minister Jesus Tanchanco yesterday appealed to consumers not to resort to panic-buying. He said such factors tend to disrupt the normal market situation and cause unnecessary price increases. Tanchanco assured that there is an adequate supply of prime commodities and any report of shortages is artificial and due to hoarding by profiteers. Tanchanco assured that the government has redoubled efforts to stop hoarding and maintain a steady supply of goods in the market. [Text] [HK141304 Manila Far East Broadcasting Company in English 2330 GMT 13 May 84]

NO SULU REBEL ENCOUNTERS--JOLO, Sulu--1983 was a peaceful year in this island province once the scene of numerous encounters between government troopers and dissidents. Brig. Gen. Mariano G. Miranda, 1st infantry division commander, reported that last year saw no violent confrontations between soldiers and terrorist groups making the peace and order situation in the Muslim populated province "one of the best in the country during the period." Miranda admitted there were minor incidents like rebel harassment on military checkpoints in far-flung areas "but these were very isolated and considered normal." The Army general reported that due to the improved peace and order situation in the area, military, without neglecting its primary objective, went into socio-economic ventures designed to hasten the development of Sulu. The "Tabak" division, for instance, initiated various civic action projects in rural areas to bring the government closer to the people. [Text] [By Tony Pe. Rimando] [Manila BULLETIN TODAY in English 22 Apr 84 p 32]

EX-MNLF REBEL MEETS MARCOS--President Marcos embraces Commander Gerry Salapuddin, 28-year-old acting chairman of the Basilan revolutionary committee of the Moro National Liberation Front, who, with eight other officers under him, called on the President at Malacanang after returning to the fold of the law. The President granted amnesty to the returnees and directed ministries and agencies to extend assistance to them to enable them to gain employment. [Text] [Photo caption] [Manila PHILIPPINES DAILY EXPRESS in English 19 Apr 84 p 1]

TWO POWER TOWERS 'BLASTED'--Unidentified armed men reportedly blasted two 120-foot towers of the National Power Corporation located in Bgy. Pinggot, Ilog, Negros Occidental on April 10, 1984. These towers were constructed by the NAPOCOR in connection with its geothermal project which has its power source in Balimpinon, Negros Occidental, projected to supply the power for mining companies operating in the Southern Negros towns of Hinobaan and Sipalay. Ilog town, which is 120 kms. from Bacolod City, is located in the CHICKS area, acronym for the municipalities of Cauayan, Hinobaan, Ilog, Candoni, Kabankalan, and Sipalay. This area is considered the base area of operation of the NPA. It is still unknown how the blasting operation was carried out and what devices were used. [By Edgar Cadagat] [Text] [Cebu City VISAYAN HERALD in English 22 Apr 84 p 8]

THAILAND

FURTHER REACTION TO THACH ASEAN TOUR

Editorial On SRV-Singapore Trade

Bangkok SU ANANKHOT in Thai 25-31 Mar 84 p 7

[Editorial: "An Idea From Nguyen Co Thach"]

[Text] Last week, Nguyen Co Thach, the Vietnamese minister of foreign affairs, said something that startled the ASEAN countries somewhat.

Mr Thach said that ASEAN is actually unstable. For example, it acts as if it will unite to isolate Vietnam but actually some members secretly engage in trade with Vietnam and grow rich from this.

Mr Thach said bluntly that this includes Singapore. He said that Singapore's yearly trade with Vietnam amounts to billions of baht. It purchases goods from Thailand and sells them to Vietnam. Many of the goods found in Vietnamese markets are Thai goods that Singapore sold to them.

Concerning Mr Thach's diplomatic game, he is definitely trying to generate alarm within ASEAN and cause a split in order to benefit Vietnam, Mr Thach's homeland. The objectives of Mr Thach are all aimed at benefiting Vietnam.

There is nothing strange about the fact that the foreign policy of a country is based on the national interests of that country. The fact that Mr Thach is a powerful and important person in Vietnam today is of no consequence. But the fact that Vietnam allows him to speak out like this, with Vietnam benefiting from this, is something that calls for great caution.

The fact that ASEAN was startled only slightly and did not become alarmed or split apart shows that good caution was exercised in not letting Mr Thach win his diplomatic game or score points in the interest of Vietnam.

But ASEAN, and Thailand in particular, should be very careful about something and that is, are our national interests being compromised by Singapore as Mr Thach said? If this is not true, never mind. But if it is true, it's something to think about. And between Mr Thach and

the leader of Singapore, who both act in accord with what is in the best interests of their country, who has the most tricks?

Columnist On Thai Diplomacy

Bangkok CHAT ATHIPATAI in Thai 25 Mar 84 pp 17, 18

[Article by Chalom: "Reflections From Nguyen Co Thach"]

[Text] Mr Nguyen Co Thach, the Vietnamese minister of foreign affairs, is one of the world's most skilled diplomats and so great caution must be exercised. There is reason to worry even when people with the skills of General Kriangsak Chamanan or Air Chief Marshal Sitthi Sawetsila, the Thai minister of foreign affairs, have to face Mr Nguyen Co Thach. Mr Sitthi has done a good job by not getting to close to him.

International politics is concerned with national interests. Mr Nguyen Co Thach has frequently done things that have benefited Vietnam. Regardless of whether he is involved in some movement or discussion, his "diplomatic tongue" always causes trouble for his opponents.

It can be seen that since ASEAN established the "Khmer coalition" to put pressure on Vietnam, instead of making progress with our diplomatic strategy, we have been put on the defensive and have had to retreat. At the same time, Vietnam's invasion of Kampuchea has been justified by the "diplomatic tongue" of Mr Thach.

Today, world opinion seems to be siding more and more with Vietnam. Even members of ASEAN such as Indonesia are indicating that they will "turn away" from the group's principles. All of this certainly seems to be due to the skills of Mr Nguyen Co Thach, a world-class diplomat (or you can call him a liar if you want).

Something worth noting is that Mr Thach, or Vietnam, has constantly tried to get the world to see that things in Kampuchea are much more peaceful now than they were when the Khmer Rouge was in control there. And based on this, Mr Thach has constantly taken the position of being the one who is trying to seek peace from ASEAN.

As for the refugee problem, regardless of whether the refugees are from Vietnam or Kampuchea, Mr Thach knows that he is at a disadvantage and so he has refused to discuss this matter. And the world seems to have forgotten this matter, except for the issue of ASEAN, and Thailand in particular, mistreating the refugees, which the world focuses its attention on.

Our minister of foreign affairs has remained quiet about the refugee issue. Instead, he has let the military be the ones to speak out about this. But they carry little weight in the eyes of the world. Neither the army nor the navy carry as much weight as the minister of foreign affairs.

Besides this, the most recent thing revealed to the world by Mr Thach, or Vietnam, is ASEAN's "deception." This is an attempt to destroy ASEAN's unity (which is already very weak). Mr Thach said that ASEAN "says one thing but does another." Singapore is a good example. It acts hostile to Vietnam, but at the same time, it trades with Vietnam, with this trade amounting to billions of baht a year. It is quietly piling up profits.

Many of the goods sold on Vietnam's markets come from Thailand, and they reach Vietnam through the "skills" of Singapore.

There is no question that Mr Thach is trying to cause a split in ASEAN. But the question that should be asked is whether there is any truth to what he said.

At present, [the Thai government] is very strict about allowing goods to be sent to Vietnam, and merchants are complaining about this. Everything is classified as a "war material." Slippers, dried noodles and even seasoning powder cannot be sold to Vietnam.

But what is strange is that the Vietnamese markets are filled with these goods and all of them are Thai brands. General Kriangsak and his party saw this. And the Vietnamese said the same thing as Mr Thach, that is, they said that the goods had been purchased from Singapore. Thus, there is no doubt that Singapore purchased these goods from Thailand and then sold them to Vietnam.

I think that this is the point that Indonesia has focused on recently in moving away from the original principles agreed on by ASEAN. It probably wants to trade with Vietnam just as Singapore is doing.

Concerning this diplomatic game, there is no doubt that Mr Nguyen Co Thach's objective is to split ASEAN. Thus, concerning the diplomatic game played by Thailand or other members of ASEAN, it's time that we took a close look at Singapore's behavior to see what they are up to and to determine whether they are violating the principles.

On occasion, the "diplomatic tongue" of Mr Lee Quan Yew is just as skilled and of the same type as that of Mr Nguyen Co Thach. We should be very careful.

Editorial On Thach Accusations

Bangkok PATINYA in Thai 2 Apr 83 pp 3, 4

[Editorial: "Hasn't the Time Come to Review Our Foreign Policy"]

[Text] Concerning the tour made by Mr Nguyen Co Thach during March, the things most worth discussing is his charge, made in Indonesia, that Thailand is allowing the Khmer coalition to use the border and send

forces into Kampuchea and his charge, made in Australia, that ASEAN countries and the United States are secretly trading with Vietnam even though they say that they want to isolate Vietnam. In particular, [he said that] Singapore has sold goods worth 4.6 billion baht to Vietnam and that many of the goods are from Thailand.

The Thai government has strongly denied the accusation made by Nguyen Co Thach and pointed out that Thailand has just provided humanitarian aid to the refugees in the border area. International organizations and foreign correspondents know this to be a fact. As for trade with Vietnam, Singapore claims that it engages in only small-scale trade, with the value of the goods sold being only 1,955 million baht. And it claims that the goods are goods from Singapore that the United Nations permits to be sold to any country. However, the statements made by Nguyen Co Thach have been criticized as being an attempt to cause a split in ASEAN.

As for the accusation that Thailand is allowing the Khmer coalition to use the border, this is an accusation that is easy to refute if a real inspection is made.

But ASEAN and China played a role in the formation of the Khmer coalition, and the Khmer coalition has had to rely on Thailand geographically. Also, while the Khmer coalition does not have any routes by which it can contact the country supporting it, it has been able to obtain weapons and war materials to wage war. Leaders of the Khmer coalition frequently pass through Thailand. And many of the Kampuchean in the refugee camps suddenly expressed a desire to return to Kampuchea, and we arranged to have them moved from one place to another. All of these things support the accusation made by Nguyen Co Thach.

Yes, Vietnam's invasion of Kampuchea was a violation of U.N. principles and will affect the security of Thailand. Thus, Thailand must strongly oppose this politically. But at the same time, we must not interfere in Kampuchea's internal affairs as Vietnam is now doing. We can find other ways to preserve our security by remaining neutral. That is, the Kampuchean people should be allowed to solve their problems by themselves. The Kampuchean people should not be pressured to decide their fate using methods stipulated by ASEAN.

The reasons why Thailand must remain neutral and not be concerned about who wins and loses in Kampuchea are: (1) No matter who wins there, Kampuchea will be communist. The only question is whether it will be pro-China or pro-Soviet Union. Thus, victory in Kampuchea concerns great power interests. (2) Thailand is not a world policeman that has to maintain fairness and thus become involved in the war. (3) Playing a role that is not truly neutral will "consume" Thailand militarily and economically. (4) Vietnam cannot invade Thailand. Thus, we don't have to fear them. We have to make plans to defend the country, but we don't have to spend so much money on this that other sectors are adversely affected. (5) The formation of ASEAN was a good measure that will unite the strength of the free countries to block the expansion of Vietnam. But the way

to oppose Vietnam is to strengthen ourselves economically, culturally and politically, which will also increase our military strength.

Concerning implementing a policy of confrontation, the adverse effect that can be seen clearly is that Thailand, which is the frontline country, is being taken advantage of. For example, Singapore is taking this opportunity to sell Thai goods to Vietnam. The leaders of Singapore are cleverly manipulating this situation to their own benefit.

ASEAN's policies have gone beyond being neutral, and this has resulted in some members of ASEAN benefiting while others have lost advantages because of holding to the principle of confrontation. This may lead to a real split in ASEAN. And so ASEAN must review its policy on the Kampuchean matter.

The statement made by the Thai minister of foreign affairs, who said the "we cannot remain neutral on Vietnam's invasion and the survival of the Kampuchean people," must be reviewed, too.

11943
CSO: 4207/126

THAILAND

THAI-PRC TRADE PROBLEMS DISCUSSED

Bangkok DAILY NEWS in Thai 15 Mar 84 p 3

[Around the World column by Trairat: "The Thai-Chinese Problem"]

[Text] Last Monday, I attended a seminar on Chinese economic-political problems and Thai-Chinese trade trends. This seminar was held by the newspaper SENTHANG SETHAKIT at the Royal Orchid Hotel. Many specialists and other interested people attended this seminar. Among these were Dr Pricha Piemphongsan, Dr Warin Wonghanchao, Dr Chulachip Chinwanno, Dr Han Luther, Achan Lae Dilokwittrattana, Mr Kraisak Chunhawan and the president of the Thai-Chinese Friendship Association, former minister of industry Major General Chatchai Chunhawan.

I learned a lot about what has happened in mainland China. There were some things that I had not been aware of. And there were several issues that should be discussed and thought about now before they grow into problems between Thailand and China or so that we don't deal with China blindly. Something worth noting is that Thailand and China have had relations for 10 years now, but trade and economic cooperation have not made any progress. Trade figures are very low. Thailand is still suffering a large trade deficit since we purchase oil from China. One knowledgeable person pointed out that in the future, we will not be able to depend on oil from China unless China takes urgent action to find new sources of oil. Within 10 years, China may have to start importing oil.

The hope of selling agricultural products to China is fading since China is now producing more agricultural products and will even compete for Thai markets in the future. As for certain types of industrial products, China is developing things and will be competing for markets since it is spending large sums of money to purchase new technology and is supporting the export of goods.

Thailand's trade with China has not progressed as much as it should have since China trades on a government-to-government basis. Thai companies or merchants go emptyhanded. If the company is not large enough, the trip is a waste of time. Or if a company has done something that has caused China to distrust it, it will be difficult for that company to

engage in trade with China. Thailand should coordinate things well and make trade plans with China. We should study them so that we are clear about what their laws, regulations and methods are and what goods they need and don't need. What is clear is that China is very interested in Thai potash, of which there are large amounts in the northeast. China wants this to produce fertilizer. If we allow China to invest in extracting [potash], they will agree.

At present, many Thais have secretly invested money in China. One person who has done things openly is C.P., the owner of the C.P. Animal Feed and Chicken Company. Now many Chinese are eating C.P. chicken since he has done an excellent job and lowered the cost of living for the Chinese. Previously, a chicken cost about 3 renminbi but now a chicken costs only 2 renminbi. And so now everybody has C.P. chicken to eat.

Thailand is now trying to mobilize capital throughout the world for investment in various projects here. But our backward bureaucracy is an important obstacle. But Thais have rushed to invest money in China's new economic zones, such as Choen Choen and Soo Hai Seemen. And the place that is well known by Chinese in Thailand is Sua Thao, the native area of the Tewchieu Chinese. It is said that Thais went and made requests and that Teng Xiaoping, the leader of China, let them help turn Sua Thao into a free economic zone. Wealthy Chinese in Thailand go to see their native land and take the opportunity to invest there.

The seminar on Thai-Chinese problems discussed many other interesting matters. Those who are interested can follow things in SENTHANG SETHAKIT.

China and Thailand have very close relations. But let's not let Teng Xiaoping come and drain the pockets of the Chinese in Thailand.

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THAILAND

WEAPONS SMUGGLING ON PRK BORDER

Bangkok DAILY NEWS in Thai 16 Mar 84 pp 1, 20

[Article: "After a Fierce Battle, Only Mortar Shells Were Seized"]

[Text] Ta Phraya police set an ambush to arrest weapons smugglers who were smuggling weapons across the border into Thailand. There was a fierce clash. The smugglers threw grenades in the darkness. The police fired back but were unable to capture the weapons smugglers. They seized about 20 mortar shells. The identity of the smugglers is known and so preparations are being made to launch a major suppression operation.

At 2130 hours on 14 March, Police Lieutenant Colonel Somchai Charoensap, the chief inspector at the provincial police station in Ta Phraya District, Police Major Sawit Chuahom, an inspector, Police Major Wanchai Topan, an inspector, and 20 other policemen entered the border forest area near Village 8 in Ta Phraya Subdistrict, Ta Phraya District, Prachinburi Province. Police Colonel Songwit Israngkun Na Ayuthaya, the police superintendent, had ordered them to go and capture the weapons smugglers operating there. An agent had reported that smugglers were going to bring in weapons near this village. After the police had been in position for quite a long time, they saw four men carrying weapons walking toward them. But just then, the field radio used by the police to contact the provincial police station in the district made a noise and this alerted the smugglers.

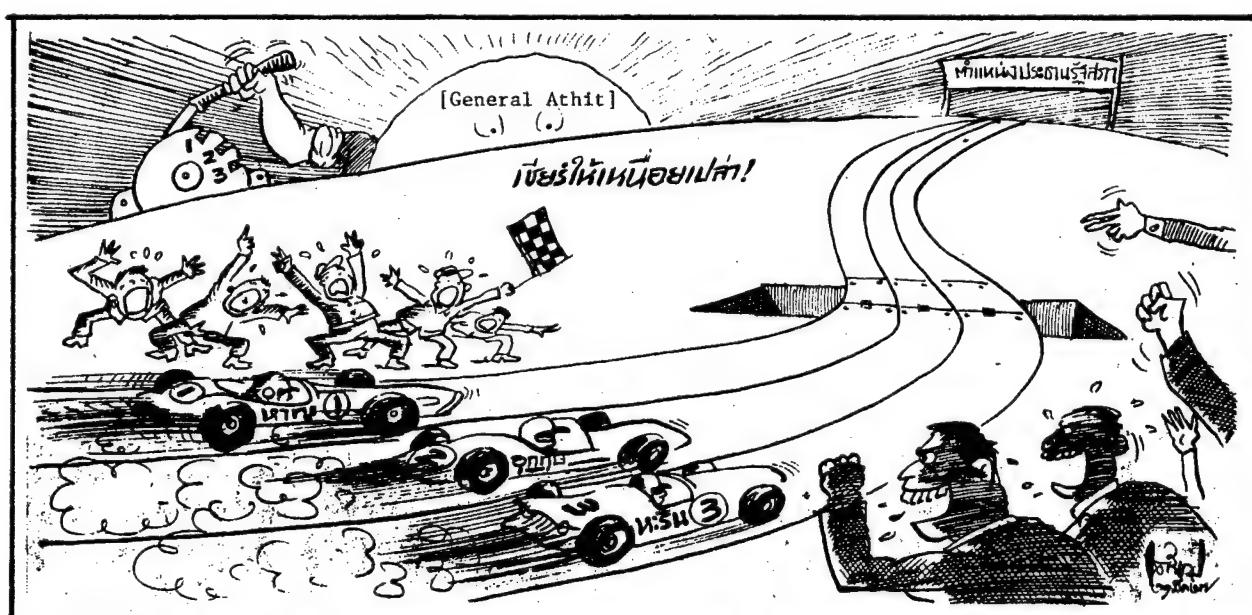
At that moment, the police officials attacked and ordered them to surrender. But the smugglers refused to surrender. They boldly threw grenades at the police, and a fierce battle was fought by the two sides. In the end, the smugglers were able to escape. After searching the area, it was suspected that the smugglers might have buried weapons in this area and so officials began digging in the area. At 0230 hours on 15 March, officials found 16 82[mm] mortar shells. That was all they found. However, the police still feel that the smugglers hid a large cache of weapons in that area. At present, police officials have been ordered to be on the lookout, and villagers who serve as agents have been stationed throughout the area. After this group of weapons smugglers fled, an agent reported that they were villagers from village 8 in Ta Phraya Subdistrict, Ta Phraya District. Preparations are being made to launch a major suppression operation.

THAILAND

ATHIT CONTROL OF NATIONAL ASSEMBLY SATIRIZED

Bangkok SIAM RAT in Thai 21 Mar 84 p 3

[Cartoon]



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CSO: 4207/125

THAILAND

EDITORIAL LAUDS HAN ENTRY INTO POLITICS

Bangkok DAILY NEWS in Thai 23 Mar 84 p 5

[Editorial: "If Liked, We Become a Politican"]

[Text] In army circles, one person who is now in the news is General Han Linanon, the former commanding general of the Fourth Army Area who was transferred to Bangkok and then reassigned once again. Last week, he finally submitted his resignation, and the minister of defense has now accepted his resignation. His resignation is effective as of 29 March.

General Han has frequently been in the news ever since he became the commanding general of the Fourth Army Area. This is because he implemented the Tai Rom Yen policy and succeeded in suppressing the terrorists in the southern provinces, which was his area of responsibility. At the same time, on many occasions, he has voiced opinions on national administration, and this has generated a reaction in political, military and financial circles.

For example, he opposed revising the constitution, he voiced opinions on the role of the banks, and he proposed that a special Senate subcommittee be formed to study the dark powers and influences and injustice in the country. This subcommittee is now carrying on activities.

Besides the activities in which he has been involved, an officer once under his command has also been involved in matters. This officer was the secretary of this subcommittee, and this caused problems since this officer has been transferred several times. It became such a complex matter that the minister of defense finally had to rescind his transfer orders in order to solve the problem. In the end, this officer resigned from the military.

Besides the fact that he resigned from the military even though he could have remained in uniform until September, the role played by General Han shows that he fully intends to play politics. The rumor is that he will join the Democrat Party at the next opportunity since to do so, he must first resign from the Senate.

We support and applaud the intentions of this former officer as long as he carries on political activities that are in accord with a democratic form of government.

We support him because our country lacks politicians with ideals. Most of our [politicians] are just opportunists and fake politicians who are without ideals.

The sensational statements made by such senior politicians as Khukrit Pramot and Op wasurat--statements that show their weariness--concerning the illegal and improper behavior of politicians have been well documented.

General Han is not the first officer to expres his intention of becoming a real politician. Prior to this, Air Chief Marshal Sitthi Sawetsila resigned from the Senate, joined the Social Action Party and ran in the election. He was elected and is now serving as the minister of foreign affairs.

Certainly, good people, regardless of whether they are soldiers or civilians, who are qualified and who have real faith in the democratic form of government will come through things unharmed. The peole will support them and elect them to serve as their representatives so that they can help govern and preserve the country.

Shouldn't those who want to help the country, in accord with the examples given above, follow the examples instead of waiting for a stroke of good fortune or using power in non-democratic ways?

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THAILAND

EDITORIAL ARGUES FOR END TO ANTI-PIRACY PROGRAM

Bangkok MATUPHUM in Thai 29 Mar 84 p 4

[Editorial: "Stop Taking Money to Help Suppress Piracy"]

[Text] It's time that Thailand reviewed its policy of suppressing piracy in our territorial waters in the Gulf of Thailand and the sources of money for carrying on these activities.

The A.P. News Service published a report stating that Vietnamese refugees in Aderlet, Australia, have asked the government to check the money sent to help the Thai government suppress the pirates. Australia provides only \$90,000 out of a total of \$2.6 million that has been provided by various countries. The first reaction of Thais is [what gives] a foreign country that has provided such a piddling sum of money the right to criticize and meddle in the affairs of the Thai government?

The government should stop receiving aid from these foreign governments that pity the Vietnamese refugees and concentrate on maintaining order in Thailand's territorial waters to the extent that this is possible with our budget. Because the number of refugees has declined continually. And those countries with strong naval forces and great financial power such as the United States, Australia and Japan should take it upon themselves to patrol those areas in international waters that the Vietnamese use to flee abroad. Or the U.N. High Commissioner for Refugees can be made responsible for this.

Except for the humanitarian principles, we don't see any reason why Thailand should be responsible for protecting the Vietnamese refugees who have been driven out of their country. And concerning these humanitarian principles, such principles should first be practiced in our own country. For example, hawkers in Bangkok, slum dwellers and people who live along canals have all been driven out. Bangkok Metropolitan, the police and other government sectors need to act in a more humanitarian and sympathetic manner.

Concerning the fact that Vietnamese refugees have been robbed, the causes of this problem must be sought. It's not right for the foreign mass media to complain about the lack of success in protecting these people. The

source of this problem is that Vietnam has no compassion for its own people, it does not give its people freedom and it puts restratins on its people.These are the things that should be well publicized and that the Vietnamese government must correct.

The country's image has been tarnished by the fact that Thailand has been put on the defensive on the diplomatic, public relations and international political fronts by minor matters and aid money that is insufficient to purchase fuel for the patrol boats. Vietnam has constantly followed a policy of trying to ruin the image of Thailand and ASEAN. Since the Vietnamese government doesn't care about the fate of these people after they leave their ports, wouldn't it be better if we used our time and resources to help the 11 million Thais who live in poverty?

The government, navy and marine police should review this matter to see whether this is really helping our image in the eyes of the world and whether we have been placed at a disadvantage in the propaganda war being waged by Vietnan. Everyone has humanitarian feelings but those who are richer can probably do a better job. Thus, the U.N. High Commissioner for Refugees should be informed that Thailand will no longer be responsible for this and that the great powers that have greater financial power should provide help instead. We will give full moral support to these humanitarian activities of the world community.

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THAILAND

PRASONG INTERVIEWED ON REFUGEES, KAMPUCHEA

Bangkok LAK THAI in Thai 29 Mar 84 pp 18-21

[Interview with Squadron Leader Prasong Sunsiri, the secretary-general of the National Security Council: "Vietnamese Boat Refugees, Piracy In the Gulf of Thailand and Aid Money, and the Matter of Issuing Alien Registration Cards to Vietnamese Refugees"; date and place not specified]

[Excerpts] [Question] Concerning the refugee problem, what is the main problem in our country?

[Answer] In my view, the refugees are not the cause of the problems. The problems stem from two things. The refugees are the victims of war or people who have experienced a terrible fate and had difficulties caring for themselves. They have had problems, stemming from the fighting, concerning where to live. Thus, the refugees are not the cause of the problems. The cause of the problems are those things that have turned people into refugees. Unless we can solve the real problems, more people will become refugees. Why did I say that the refugees are not the problem but that once this happens it generates effects? It is this that is the problem. The effect is that when they come here, we are affected in certain ways. At a minimum, the border areas where the refugees live are affected. Concerning national defense, this makes it difficult to send military forces into the area. There is also a problem with infiltration, with the enemy sending in infiltrators among the refugees. And this causes economic problems in our country. Thus, we have to use both manpower and money to solve these problems instead of using these resources to help solve the problems facing our citizens. Another problem is that while other countries have promised us that they will take in the refugees if we allow the refugees to stay here temporarily, the number of refugees accepted by third countries has declined greatly. This is a major problem. Thus, it can be seen that the refugees are in the middle. Whatever generates refugees is the source of the problems. That is the thing that has to be corrected. And the effects, which I have pointed out, generated by the refugees coming here must be dealt with, too. Thus, at present, the refugee problem here is still a problem since the cause and effects of this are still in existence.

[Question] What is the most recent figure on the number of refugees here?

[Answer] 130,000; just about 140,000.

[Question] How many will not be able to be sent on [to a third country]?

[Answer] Third countries are trying to accept them. But it will take a long time to reduce the number. Because while the number being accepted [by third countries] has declined, the number of new arrivals is increasing. And so, people are being taken in by other countries, but the number here remains fixed or even increases. It may even decline at times. This is what is happening.

[Question] Concerning the Vietnamese and Kampuchean refugees, are more coming by boat or by land?

[Answer] At present, more come by boat than by land. But in the near future, I am afraid that Kampucheans of Chinese ancestry will be driven out of Kampuchea. They will come both by boat and by land. At present, approximately 1,300 people are waiting to cross the border into Thailand.

[Question] How many Kampucheans of Chinese ancestry are there?

[Answer] At least 300,000 people who live in the larger cities in Kampuchea.

[Question] What is their policy on this matter?

[Answer] They are trying to force them out just as they are trying to force the Vietnamese of Chinese ancestry to leave by boat. At present, they are making plans to gather together the Kampucheans of Chinese ancestry and concentrate them in one place. That is, they want to concentrate them in Ko Kong Province (opposite Chanthaburi and Trat provinces). This shows that they intend to "quarantine the area" since they can guard this area. But this area borders the sea and so there will be a new wave of boat refugees. And so instead of just coming from Vietnam, there will be boat people from Kampuchea who will bring more problems for the countries in this region in the future.

[Question] What preparations have we made to handle this?

[Answer] I have talked to the UNHCR (United Nations High Commissioner for Refugees) about this and asked them to investigate this since they have people there. Something must be done to get the Vietnamese in Kampuchea to stop this.

[Question] I would like to return to the matter of the refugees in Thailand. Does the problem that has arisen with the UNHCR concern aid money or some other matter?

[Answer] The money issue is not important. Regardless of whether it is the UNHCR or some other organization, they all have to get their money from other countries, countries that are referred to as donor countries. The donor countries are located far away from this region. These countries think that these small countries that are experiencing problems don't have money and that if they are just given some money, the problems will disappear. This is a mistake. We don't need money. We need them to cooperate in helping to solve the problems of these people who are victims of war. Simply giving money to let these people stay in our country is not the solution. That is one thing. Second, the things stipulated by humanitarians must be carried out. The UNHCR is involved in giving aid to refugees and looks at things from the humanitarian standpoint only. But Thailand does not view this problem from just a single angle. We have clearly stated that our policy is to solve the refugee problem based on humanitarian considerations and on the security and interests of our country. As I said above, when refugees come here, security problems arise along the border. If we don't take steps to solve this problem, our country will encounter problems. Others may take action only on the basis of humanitarian considerations. But we can't do that. Countries far away don't understand this. They think that the problems here can be solved by giving money.

This is the same as the matter of piracy in the Gulf of Thailand. These people think that we lack money and that if they give us money, the problem can be solved. Actually, we were suppressing pirates before there were refugees since our fishermen were being harassed. We used the forces available to us and carried on operations in accord with the resources on hand.

[Question] At present, how many patrol boats are being used to patrol the area?

[Answer] At present, approximately \$2 million in aid money has been made available to us. We have increased our capabilities. We are using three patrol boats. Each boat operates 8 hours so that there is a boat out on patrol 24 hours a day.

[Question] How much money are we spending?

[Answer] I can't remember the exact figure. But the money includes the cost of the boats, the cost of repairs and the salaries paid to our officials who carry out the work. We use the money from the aid given us. But there are also hidden expenses. Concerning this, I recently told them that if we do our best but continue to be criticized like this (the pirates are causing trouble and the Thais aren't taking any action against them), the aid money isn't important. We didn't have money before but were able to carry out things.

[Question] To date, how much aid money has been given to us by other countries?

[Answer] When this new problem arose (in 1979), I went to a conference in Geneva. They asked us to accept the refugees that were pouring in. We said that we wouldn't take them in. They asked us to take them in temporarily. They said that they would provide aid for them and that they would arrange for them to go to a third country. They said that every effort would be made to cause us as little trouble as possible. There are two types of aid. The first is aid that is given directly to the Thai government. We use this to help the people in the seven border districts who are experiencing problems. These are the people who have been affected by the refugees. There are more than 80,000 Thais whom we have to help. We use this money to help them. As for other aid money, this is donated and kept by the UNHCR for use in caring for the refugees at the various refugee centers. Other money is given to private charitable organizations that are working along the border to help the refugees in various ways. The UNHCR is not directly involved with the operations of these organizations. Or money is given to the International Red Cross. As for the aid money, the first year, approximately 1 billion baht was given. But since then, the amount has dropped constantly since the number of refugees has dropped. In 1983, only about 600 million was given. We used this to aid [the people] at the various centers.

[Question] What is the total amount of money budgeted by the Thai government for the refugees?

[Answer] In cash, the figure is approximately 300-400 million baht. But this does not include the land or preserves that we have had to open up for them. Altogether, I would estimate that the amount of money that we have had to provide for the refugees is at least 1 billion baht.

[Question] From what has been learned, the private aid units have said that they will stop providing aid since they don't have any money. And so the refugees will exert pressure to have the Thai government take full responsibility.

[Answer] If they want us to take full responsibility for this matter, we will send them to live along the border inside Kampuchea. At present, there are camps scattered here and there at Nong Samet, Nong Chan and Ban Sangae. We have made preparations in the event that no one helps share the refugee burden in the future.

[Question] Won't there be border problems when they pour in again?

[Answer] We can do this. If we can't, we won't be able to defend our border. Concerning the refugees, if they come to stay at a center and are sent to the Phanat Nikhom Camp, if no third country takes them, I will not send them back to the same center again since this will just continue to be a problem. We will send them to the border. If no aid is sent in the future.... If those countries that promised to provide aid do not do so, they can't expect us to provide help. Because if they

don't do anything, they can't expect us to do this and that. When we take action, they can't criticize us. As I said above, there are about 130,000 refugees who would have to be repatriated.

[Question] What do you think the situation in Kampuchea is like at present?

[Answer] I must first state that I am not a spokesman for the Khmer coalition government. But the situation has continually improved for the coalition. At present, Kampuchea is composed of 18 provinces. The forces resisting Vietnam are carrying on combat operations in 10 of these provinces. Some people who do not like Vietnam are supporting them. During this year's dry season, they launched operations [against the Vietnamese]. They are much stronger than last year. Based on the intelligence reports that we have received, they have carried on much stronger operations.

[Question] This year, Vietnam seems to be very slow in launching suppression operations.

[Answer] That's true. But I think that they are prepared to launch operations. At the beginning of last month, I received an intelligence report stating that Vietnam was using helicopter gunships in conjunction with ground troops to make attacks. I used to be in the air force. I know what this means. It means that their ground units are weak. And if they launch a major ground offensive, they will undoubtedly use aircraft to provide combat support.

[Question] Would you comment on Mr Nguyen Co Thach's diplomatic activities in this region?

[Answer] concerning the activities of Mr Thach, I can summarize things by saying that there is nothing new. Those who know the Vietnamese well know that they have not changed their attitude and that they do not have any new ideas as some people have said. They may be carrying on diplomatic activities in order to see what the political results are before launching military operations. As for his visit to Indonesia and Australia, I am not worried about this since both countries will continue to hold to the regional principles. But in Australia, there are political problems within the government party, which is the labor party. They can't involve themselves in the Timor problem since this would cause problems with Indonesia, which is a neighbor. And so they have to concern themselves with the Kampuchean problem, or the Vietnamese matter, in order to ease their own internal conflict.

[Question] Would you comment on the matter of Mr Nguyen Co Thach meeting with certain Thai groups? Some people say that this will just lead to a greater conflict on the Kampuchea problem.

[Answer] I don't think so. It won't have any effect. As for Mr Nguyen Co Thach meeting with certain people, those who have contacted Vietnam are hoping to gain politically. As for the main issue, things have not changed. As for the government, I don't see any split as some people have said.

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THAILAND

DAO SIAM CITES CGDK TROOP PRESENCE IN SISAKET

PRK Troops On Attack

Bangkok DAO SIAM in Thai 29 Mar 84 pp 1, 16

[Article: "Tens of Thousands Pour Into Thailand; Wounded Flood Hospitals"]

[Excerpt] Athit flew to inspect the combat front in Sisaket in order to boost the morale of the troops. Tens of thousands of Kampuceans have poured into Thailand. Thailand has expelled them using military forces. Thai hospitals are overflowing with the wounded. The hospitals have had to rush to find enough blood. Khmer liberation forces have destroyed four tanks of Heng Samrin's forces.

As a result of the fighting between Heng Samrin's forces, whom Vietnam is supporting by throwing in forces near Sisaket Province, and the forces of the Khmer coalition, the Khmer coalition forces have had to retreat into Thailand. But not content, Heng Samrin's forces have pursued the Khmer coalition forces into Thailand. Thai military forces have strengthened their forces to expel Heng Samrin's forces. During the fighting between the Heng Samrin and Khmer coalition forces, the Heng Samrin forces used artillery and T54 tanks against the Khmer coalition forces and shells landed inside Thailand. In response, Thai forces used 105mm and 155mm artillery in order to prevent the Heng Samrin forces from entering Thailand. This fighting began on 24 March.

Then on 28 March 1984, a reporter reported that at 1000 hours, General Athit Kamlangek, the supreme commander, and a group of military officials travelled to Sisaket Province in three helicopters. When the party of the supreme commander arrived, they landed at the Rung Dam base at the thahan phran irregular "Pisat 362 Camp." After arriving here, the RTA CINC and supreme commander went to inspect the front here. While inspecting the front and boosting the morale of the troops, artillery shells fired by Heng Samrin forces landed in Thailand. In response, Thai forces fired several dozen artillery rounds until the firing from that side stopped.

While the supreme commander was inspecting the combat front in Sisaket, large numbers of Kampuchean poured across the border into Thailand to flee the fighting. Among the refugees were people who had been wounded

in the fighting. Thai officials had to send several people to the Kantharak district hospital. But when these wounded people reached the hospital, the hospital ran out of blood and could not treat these people. Thus, a request for blood was radioed to other hospitals in order to be able to treat the wounded Khmer soldiers. In this fighting, many Kampuchean soldiers on both sides have been killed. In particular, the Khmer coalition has suffered many casualties since the Heng Samrin forces have better weapons and equipment. Thus, the Khmer coalition forces have had to flee into Thailand. Thailand has provided as much assistance as possible.

Aid to Refugees Noted

Bangkok DAO SIAM in Thai 28 Mar 84 pp 1, 16

[Article: "Second Army Area Makes Stand In Sisaket and Engages In Artillery Duel With Kampuchean Forces; Tens of Thousands of Refugees Pour In"]

[Excerpts] Heng Samrin has thrown in forces to crush the Khmer coalition forces. Dozens of artillery shells have landed in Thailand. Tens of thousands of Kampucheans have crossed into Thailand to flee the fighting. Vietnamese T54 tanks have been used. The Second Army Area has strengthened its forces all along the border in Sisaket Province.

Mr Danai Ketusiri, the provincial governor, and a group of public welfare officials went to visit the Kampuchean refugees and gave them what assistance they could. They will try to get the Kampuchean refugees to leave Thailand as soon as the situation quiets down. The latest news report states that the Heng Samrin forces have thrown in all available forces here to crush the Khmer coalition forces. This is the reason why artillery shells have landed in Thailand. However, Second Army Area military forces are constantly being reinforced in order to be able to handle the situation.

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SOUTHERN INSURGENCY, NEW FOURTH ARMY COMMANDER VIEWED

Bangkok ATHIT KHLET LAP in Thai 24-30 Mar 84 pp 14-17

[Article: "Han-Wanchai-CPT, the Political Equation in the South"]

[Excerpt] Lieutenant General Wanchai Chitchamnong

Lieutenant General Wanchai Chitchamnong is a member of the senior Class 5, the same class as General Han Linanon. During the period that General Han served as the commanding general of the Fourth Army Area, Lieutenant General Wanchai served as the deputy commanding general. And it is said that during that period, relations between Lieutenant General Wanchai and General Athit Kamlangek, a fellow classmate who was rising rapidly at the center, became closer and closer.

When it became quite apparent that General Han would be transferred from the Fourth Army Area, the role and views of Lieutenant General Wanchai came into conflict with those of General Han on several issues. For example, concerning the matter of building a canal across the Kra Isthmas, an issue on which General Han was opposed by the center, Lieutenant General Wanchai expressed opposition to this idea, too. And there was the matter in which the center said that in Chumphon and Prachuap Khiri Khan provinces, the Communist Party of Thailand [CPT], the Burmese Communist Party, agents of the Chinese Communist Party and minority groups were carrying on joint activities. General Han denied this. But Lieutenant General Wanchai fully accepted the center's data.

His close ties with General Athit Kamlangek, who appears to have conflicts with General Han, has resulted in Lieutenant General Wanchai following the path of General Athit. In the beginning, this commanding general immediately flew to Bangkok on his appointment to the position of commanding general of the Fourth Army Area in replacement of General Han. The reason for his trip to Bangkok was to "learn the policy from General Athit Kamlangek." After taking over this position, many of those who had been close to General Han were transferred out of the Fourth Army Area. This included Lieutenant Colonel Sarot Ropbamrung, an expert in strategy and a talented writer, Colonel Yunyong Wattananikon of CPM [Civil-Police-Military Unit] No 42, and Colonel Suban Saengphan, a member of the Democratic

Soldiers group. Only Major General Thonphon Bunyopatdam, the chief of staff of the Fourth Army Area, is left.

Besides this, the Don Nok CPM No 42 base in Surat Thani Province, the well-known base which served as a forward headquarters in putting pressure on the Communist Party of Thailand in the south, has been transferred to Nakhon Sithammarat. This was done in accord with the wishes of the 5th Division of Major General Panya Singsakda, a supporter of the Thai Masses Party and the only divisional commander to support this party in the April 1983 election. At present in the Fourth Army Area, is the administration of Lieutenant General Wanchai taking a different course from that of General Han and will Lieutenant General Wanchai destroy the "individual" type "values" of General Han in the Fourth Army Army? These are the interesting questions at present.

The Southern Branch of the Communist Party

Concerning the CPT forces in the 14 southern provinces, it can be said that these are the forces that have best been able to preserve their strength during the "crisis of confidence" within the party. According to a report prepared by officials, the CPT still has at least 2,000 combatants and operatives. The attacks launched against Camp 508 in the Chong Chang Zone during the period when General Han Linanon was the commanding general in this area do not seem to have had the same effect on these forces as the attacks [launched against the CPT] in the northeastern and northern regions.

Recently, the clashes between Thai People's Liberation Armed Forces (TPLAF) and government officials in Ban Nasan District, Surat Thani Province, made the headlines in the newspapers. In the southern zone, the CPT still has the support of many people. No one can ignore the role of the CPT in the south. A report prepared by officials states that many leading members have joined together in the south. The CPT is still active in many areas of the 14 southern provinces, including Chumphon, Surat Thani, Nakhon Sithammarat, Trang, Phatthalung, Satun, Krabi and Ranong. The CPT's strength in important areas in the south plays a part in the decisions made by the people in the rural areas. And it even puts pressure on the influential groups in these 14 provinces. Concerning political, economic and social matters and the safety of people's property in the south, the CPT still plays a large role and has great bargaining power.

Han and the Democrats; Athit and Wanchai Chitchamnong

If General Han takes a political path by running for election, besides using the mass base that he built while he was the commanding general of the Fourth Army Area, he also has the full support of the Democrat Party, which is the strongest political party in the south. The southern Democrats have clearly voiced their support for such military officers as General Prem Tinsulanon and General Han Linanon. The Democrats have

had a taste of doing battle with "powers outside parliament," which gave direct orders to certain government units to cut into the votes of the Democrats in the 1983 election by supporting the Thai Masses Party instead.

Besides this, relations between the Democrats and important businessmen in Surat Thani, Nakhon Sithammarat, Trang and Hat Yai and General Han Linanon are still quite close, and they share common interests. It's not at all strange that when General Han announced that he was resigning from the military, a group of southern Democrats, "with the exception of Chuan Likphai," immediately went to give him moral support. And Phrom Bunrit, an MP from Phatthalung, announced that he would give General Han as much support as possible.

Thus, the political future of General Han on the parliamentary path seems to be quite bright. The chances of stopping him on this battlefield seems to be quite remote. And if he cannot be stopped at this point, it may not be possible to prevent him from reaching an even higher position. That is, General Han may become a minister in the next cabinet.

Concerning General Han's present struggle for power at the center, it can be said that he must rely on the south as his power base. And what is most certain is that if those at the center want to block the political path of General Han, they will have to fight on the southern battlefield, too. Lieutenant General Wanchai Chitchamnong, the present commanding general of the Fourth Army Area, once made a great attempt to show that "development based on Tai Rom Yen methods is a task of the army and not of General Han Linanon." But this has proven very difficult for him. Many attempts have been made to carry on development in new ways. This finally led to a dispute over the "removal of the Tai Rom Yen signs" from certain areas.

Concerning political, economic and social problems, the situation in the south is now growing more serious and complex. This might build up the credit of General Han, who will be able to take advantage of this "moment" to gain many votes for himself. And at present, the troubles in the south are greatly reducing the "credit" of Lieutenant General Wanchai. And what is certain is that the confusion that has arisen under the administration of the new commanding general will have a political effect on the "position" of his superior officer at the center, who can be said to be a rival of General Han.

Soldiers from the center have been visiting the south more frequently than is usual. An attempt is being made to find ways to reduce the violence. One MP from the south said that these "efforts have reached the point of bargaining with the influential powers on all fronts."

The Southern CPT, an Important Variable In the Equation

Concerning the violence--a standard feature--in the south, an important variable is the southern branch of the CPT. It is well known that many times in the past, the CPT has played a part in building "red state power" and that it has used this power to protect the property of the masses in the areas that it was trying to occupy. Besides this, the political violence stemming from [the activities of] the southern CPT is an important factor that can build up or reduce the political credit of the person responsible for the south. Now, during the time of Lieutenant General Wanchai Chitchamnong, more and more clashes are taking place in the south, and the bargaining power of the CPT on various fronts is growing. This may result in the CPT becoming a variable that can bring about a reversal in the politics being played by people at the center.

And if people stand as candidates for MP in the southern region, the southern CPT, which is still influential in many of the villages and subdistricts, will play a role in "blocking" or "supporting" the central politicians who are now being urged to play [politics] in the south.

The government has had the upper hand over the CPT during the past 4-5 years and such a crisis of confidence arose within the party that many people now ignore the forces of the CPT. But an interesting question is that at the present time and in the future when the politicians from the center start to play politics and bargain with each other in the south, what role will the southern CPT play in the struggle between the two political sides and the two rivals? The many people in the south who support the CPT and the illegal powers that still have influence over certain economic and political groups may soon turn the political game in the south into a very complex and fierce struggle.

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FOREIGN NEWSMEN THREATENED WITH EXPULSION

'Slandering' Stories Cited

Bangkok MATICHON in Thai 21 Mar 84 pp 1, 16

/Excerpts/ The Special Branch Police, the Ministry of Foreign Affairs, and the Public Relations Department are serious about foreign reporters who are distorting the truth about Thailand and damaging its reputation in many incidents. They have agreed to take decisive measures to send them back to their countries, expel them, and forbid them to re-enter Thailand. Pol Maj Somsai Atthanawanit, inspector of the Fifth Division, Third Directorate of the Special Branch Police, revealed that on 20 March officials of the Special Branch Police Censorship Section conferred about what actions to take about foreign newsmen stationed in Thailand who do not cooperate with the authorities and attempt to disseminate negative news and pictures. Finally, they saw that they have to control such foreign newsmen firmly and strictly by taking measures to send them all back to their countries and absolutely forbid them to re-enter Thailand.

"Since the past, foreign newsmen have created a lot of anxiety for Thai officials, such as when they were requested not to enter restricted areas or areas that are very dangerous. But they were obstinate and disobeyed. Some newsmen have tried to present news negatively even though there are a lot of good stories about the country. Consequently, we must take those measures so that Thailand's image will not be ruined anymore."

Police Major Somsai revealed that Special Branch Police Censorship Section officials will soon take this matter up with the concerned units, such as the Public Relations Department, the Immigration Control Division, and the Ministry of Foreign Affairs, in order to establish common policies and so on.

Police Major Somsai stated, however, that as far as foreign newsmen who have cooperated all along with officials, the measures established would not have any impact on them in any way. As for the matters that have caused damage to Thailand's image from news presentations and pictures by foreign newsmen stationed in Thailand in the past--for example, pictures and news about rundown places in Thailand or child labor in industrial plants--they were considered inappropriate when they were published and disseminated, and caused a lot of damage to Thailand's image.

Mr Rangsan Phaholyothin, deputy director of the Information Department and a standin for the director, gave an interview in which he stated that keeping close track of foreigners who enter the country is usually the responsibility of the Ministry of Interior. The ministry examines persons who should be forbidden from entering Thailand, persons who might threaten the country or come in and commit crimes damaging to the country or smear Thailand without valid facts. The Ministry of Interior has the power not to allow them to enter the country and it can expel them if they commit crimes.

Mr Rangsan stated, however, that if there are misunderstandings about the true facts, the Ministry of Foreign Affairs will explain them and inform newsmen in order to solve the problems that arise about Thailand's image. However, the serious problem right now is that they distort the facts in their news stories. When they have the facts, they disseminate only some, just the bad aspects or those that cause damage to Thailand. They disseminate only one side of the story, not all, which causes misunderstandings or persons who are misinformed to conclude that the reputation of Thailand is not good.

"The important thing is that this results in tremendous damage to the economy, such as the case when English TV broadcast a report about the use of child labor in factories. There are also the exaggerated stories about prostitutes that the foreign public media disseminate, something which makes foreigners conclude that all Thai women are prostitutes. Actually, Thailand has a great variety of good things, not to mention the temples or the most beautiful tourist sites in the world," Mr Rangsan stated.

The deputy director of information stated again that whenever related units are affected by these distortions of the truth by foreign newsmen, they should be directly reported to the official unit responsible so that it can report to the Ministry of Interior which will act accordingly. This problem has to be considered from every angle thoroughly and the country's security and safety have to be held as the main principles. As for other measures, such as expulsion from the country or denial of entry into the country, they are already normally enforced. They might lay down much stricter and tighter measures at this meeting.

Contact With Insurgents

Bangkok SIAM RAT in Thai 21 Mar 84 pp 1, 12

/Article: "Police Prepare To Deal With Foreign Newsman Who Interviewed Bo Miew"/

/Excerpts/ The police are getting reaty to take serious measures against one more foreign reporter soon, charging a violation of entering a restricted district to interview "Bo Miew," the leader of the Free Karen. It is speculated that he the reporter might be deported.

A news report from the Special Branch Police Department revealed today that Lt Col Pranet Ritthasai, deputy director of the Police Department's Special Activities Section, has sent a letter to Pol Maj Gen Kasem Sengmit, commander

of the Special Branch Police, to have him consider several actions against the foreign newsman who went to report on the fighting between the Burmese and Karen soldiers.

The letter specified that the District 5 Border Patrol Police Division had recently reported to the Police Department that on 8 February this year, Mr Tony David, a reporter for Asia Week magazine and the French Information Service, had entered Burmese territory to interview Gen Bo Miew, the leader of the Karen Liberation Movement. He went by boat at Mae Sam Leb, Amphoe Mae Sariang, Mae Hongsone Province, and floated down the Mae Salween River into Burmese territory under the influence of ethnic Karen.

Police Major Somsai also opined that in the case of news broadcasts damaging to Thailand, deportation measures might be used, the same as those used last year. "The authorities are anxious about this matter. Going in to report on news in the restricted area might have caused danger to the newsman, so the police were concerned about his safety, also," the Fifth Division inspector stated in conclusion.

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THAILAND

EDITORIAL CITES HUMANITARIANISM ON HELP TO KARENS

Bangkok BAN MUANG in Thai 19 Mar 84 p 4

/Editorial: "Will History Repeat Itself Again?"/

/Text/ The news that Burma sent troops to intrude into Thai territory which clashed with Thai border patrol police who violently pushed them out, causing heavy damage--namely, the deaths of two Thai border patrol police and a number of wounded, the destruction of people's houses in the border area and the loss of life from the purge of ethnic Karen by Burmese Government soldiers--has caused a lot of discontent among the people and the government. Even though the Burmese Government has claimed that it did not have any intention to trespass Thai sovereignty, its behavior since the beginning of the Karen purge in the border area /indicates otherwise/. Bullets and bombs from the purge fell into Thai territory which damaged a lot of people's property and destroyed many lives and many domestic animals. This was done without the Burmese Government showing any clear interest in accepting responsibility or expressing any humanitarian concern for all the damage.

Besides the use of arms and the troop intrusion into sovereign Thai territory, the Burmese Government still has constant problems with the Thai frontier along the border of Tak Province and it is expected that the violence will increase daily. Even though the Thai Government has tried to restrain its response in complaining about the wrongdoing of the Burmese Government all this time, hoping that /the two countries/ can be good neighbors, its good intention seems to have no appropriate reciprocal response from the Burmese Government, when compared with those of Thailand's other neighbors.

Thailand has a heavy responsibility in having to provide humanitarian assistance to the different ethnic groups who escape hot spots to take refuge in a cool, safe place. Thailand's hands are full already, so when there are unavoidable troublesome events on the Burmese border causing major problems with Thailand on top of everything, it looks as if Thailand has been hit when it is down with not so good intentions. These kinds of historical events should have ceased between Burma and Thailand, but now it looks as if they are coming back again, against Thai desires. But Thais are not that cool headed in situations in which they are being constantly bullied unjustly, unfairly, and without sincere friendship.

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FURTHER REPORTAGE ON THACH-KRIANGSAK TALKS

Bangkok BAN MUANG in Thai 11 Mar 84 pp 1, 16

/Article: "Co Thach-Kriangsak: Do Not View Vietnam in a Narrow Way" /

/Text/ Gen Kriangsak Chamanan, leader of the National Democratic Party and in his role as chairman of the Foreign Affairs Commission of the House of Representatives, revealed that Vietnam desires to be Thailand's good friend by gladly cooperating to solve the problems of the various conflicts between the two countries and also by gladly returning more of the fishermen who have intruded into its territorial waters.

General Kriangsak gave the first interview after Mr Nguyen Co Thach, the Vietnamese minister of foreign affairs, made a formal call on him around noon yesterday. During the visit, such persons as Mr Ob Vasuratna, minister of industry, Lt Gen Charn Angsuchot, former minister attached to the Office of the Prime Minister, Mr Wong Phonnikorn, deputy minister of industry, Mr Upadit Pajariyangkul, former minister of foreign affairs and Mr Prida Karanasut, former minister of agriculture jointed in the consultations. General Kriangsak also hosted a luncheon for the Vietnamese minister of foreign affairs.

General Kriangsak stated that Mr Thach brought good wishes for Thailand from Mr Pham Van Dong, the prime minister of Vietnam, and that he returned good wishes. From the talks he learned that the prime minister of Vietnam regards highly the visit of the Thai Foreign Affairs Commission to Vietnam, which General Kriangsak himself headed, and that Pham Van Dong hopes that a spirit of friendship for creating peace in this region will develop between the two countries.

General Kriangsak stated that he sent with Mr Thach an invitation to the chairman of the Vietnamese Congress and its members to come to Thailand to reciprocate Vietnam's invitation to Thai MP's to visit Vietnam. In addition, Mr Thach expressed his opinion that both countries, since they are neighbors, should have increasingly good relations and improve mutual understanding because being enemies does not create any advantages at all. The restoration of relations between the countries should be done gradually, initially stressing relations between the people.

Furthermore, they also conferred about promoting trade relations between the two countries, because during the visit of the Thai Foreign Affairs Commission to Vietnam it was discovered that there is a great deal of Thai merchandise sold in Vietnam which we should not let a third country trade for us.

General Kriangsak further mentioned that at this meeting they also exchanged opinions that will lead to solution of the problems of creating stability and peace in Southeast Asia. Besides that, Vietnam also informed General Kriangsak about the problem of the Thai fishermen that it has captured. They are glad to respond to our request by releasing around 200 more fishermen to us than the 87 they had initially agreed to release, and they will hurry to accomplish this by the middle of this year.

The Vietnamese side requested that we seek preventive measures for stopping fishermen from carelessly intruding into Vietnamese territory anymore, or we should look for better ways to fish together.

General Kriangsak revealed further that in discussing Kampuchea, Vietnam feels that there should be cooperation between itself and Thailand, because of the possibility for establishing peace and since both sides want it. We should not view each other pessimistically, because there is no way that we can encounter success that way. This is similar to the problems and conflicts in the Middle East, where the countries all suspect each other.

General Kriangsak stated that he, himself, never has been afraid of Vietnam invading Thailand, but that some people make Vietnam look like an ogre and that we ourselves are actually ogres, too. In his opinion, Vietnam does not count on its ability to invade us and if they do, then they are thinking incorrectly. If we want peace, we should have a long-term perspective and not view everything narrowly.

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